
THE DUTCH EAST INDIES

Its Government, Problems, and Politics

AMRY VANDENBOSCH

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TO
MY FATHER
AND THE MEMORY OF MY MOTHER

*The glorious realm of Insulinde, that
winds yonder round the equator like
a girdle of emerald.*—MULTATULI

“FROM the ground up” should be the motto of an intelligent colonial policy. Not to attempt to bestow upon the backward races the blessings of a civilization which they cannot understand and which may be deadly poison in the form in which they are offered; but to work in alliance with the universal forces of social evolution, to battle against the exploitive tendencies which would carry us back into another age of barbarism more cruel and difficult to overcome than any former one, and to give to the more primitive societies a secure economic foundation for future progress and development—these should constitute the elements of a sound colonial policy.—PAUL S. REINSCH

PREFACE TO THE FIRST EDITION

FROM THE POINT OF VIEW of population, the Netherlands colonial empire is the third largest in the world. This colonial empire of over 60,000,000 people is nearly all situated in the tropical East, and in English-speaking countries is generally known as the Dutch East Indies. The Dutch have made an intensive scientific study of their colonial problems and have followed policies in many respects distinctly different from those followed by the other colonial powers. They have written voluminously on their colonial history, policy, and administration, but most of this extensive literature is of a highly specialized nature. It includes very few works of a general nature. Comprehensive books on the East Indies by outsiders are likewise few. During the last half-century there have been only three such books, Challey-Bert's *Java et ses habitants*, Day's *The Dutch in Java*, and Angoulvant's *Les Indes néerlandaises*. Since the publication of the first two books great changes have taken place in the East Indies. During the last two decades the East Indies have experienced a marvelous economic development, due to a shift in administrative policy and a large influx of Western capital. There has been, in addition, a social and political awakening which has changed the entire face of things in that formerly peaceful insular empire. The writer trusts to find in these facts a sufficient justification for the publication of this book.

While the official name of the dependency is Netherlands India, the writer has thought it desirable to use the name by which it is popularly known in English-speaking countries.

The writer wishes to thank the editors of the *Journal of Comparative Legislation and International Law*, *Pacific Affairs*, *Moslem World*, and the *Southwestern Social Science Quarterly* for the privilege of using material from articles published in these journals. He wishes also to acknowledge his indebtedness to the Social Science Research Council and the University of Kentucky, which made it possible for him to visit the Netherlands and the Dutch East Indies in the course of the academic year 1929-1930. The Social Science

Research Council also aided him with financial assistance, much appreciated, in the publication of this study.

The writer wishes also to acknowledge his deep indebtedness to friends in America, the Netherlands, and the East Indies. These friends have been so numerous that he hesitates to name any lest by so doing he make it appear that he does not appreciate the great services of many not mentioned. He owes more than he can express to the late Professor C. van Vollenhoven of Leiden University. Not only did he give generously of his busy hours in discussing Dutch colonial policy and problems with the writer, but he also put him in touch with persons in Holland and the East Indies who were in a position to aid him in his investigations. Throughout his travels in the East Indies the writer was met and aided on his way and in his investigations by members of the East Indian Service, former students of Professor van Vollenhoven. His act in voluntarily writing to scores of his former students personally requesting their assistance for the foreign investigator was characteristic of the man. In his recent death the world of scholarship lost one of its most brilliant representatives and the backward peoples throughout the world a devoted and sympathetic friend. In the East Indies the writer's primary obligation is to Dr. F. Baron von Asbeck, professor of international law at the East Indian Law School and adviser to the Governor General on foreign affairs. Others to whom he is greatly indebted are Dr. A. D. A. de Kat Angelino, Dr. J. W. Meyer Ranneft, formerly chairman of the Volksraad and now vice-president of the Council of India, Dr. A. B. Cohen Stuart, Dr. B. J. Haga, Mr. C. C. van Helsdingen, the members of the faculty of the East Indian Law School, and the librarians of the Colonial Library at The Hague, Leiden University Library, and the Museum and Volksraad libraries at Batavia. To his wife he is under the deepest obligations for assistance from the initial stages to the final revision of the proof, and for unflinching encouragement in his work.

AMRY VANDENBOSCH

*Lexington, Kentucky,
September 1, 1933.*

PREFACE TO THE SECOND EDITION

THE ORIGINAL EDITION of *this study* has been out of print for several years. Interest in the Dutch East Indies is greater today than it was at the time of the publication of the first edition and information on this important dependency is not much more available. For these reasons a new edition of this volume seems justified. Great changes have taken place in the East Indies during the past seven years and the book could not be brought up to date without considerable revision of certain sections. The material on the relations between the Dutch East Indies and Japan has been expanded into a separate chapter.

I wish to thank the publishers and editors of Amerasia, Asia, Far Eastern Survey, and Pacific Affairs for permission to draw, for material, upon articles by me which have appeared in those periodicals in recent years.

I am much indebted to Miss Carolyn Sigler for help in getting the manuscript ready for the press.

A. V.

Lexington, Kentucky,
September 25, 1940.

PREFACE TO THE THIRD EDITION

IN THE BRIEF PERIOD *since the preparation of the second edition, events have moved so swiftly that it has been thought advisable to add a brief chapter to this work to bring it up to date, at least in those fields in which the developments have been most significant. The situation is so fluid that it is not deemed possible to do more than that.*

A. V.

*Arlington, Virginia,
December 12, 1941.*

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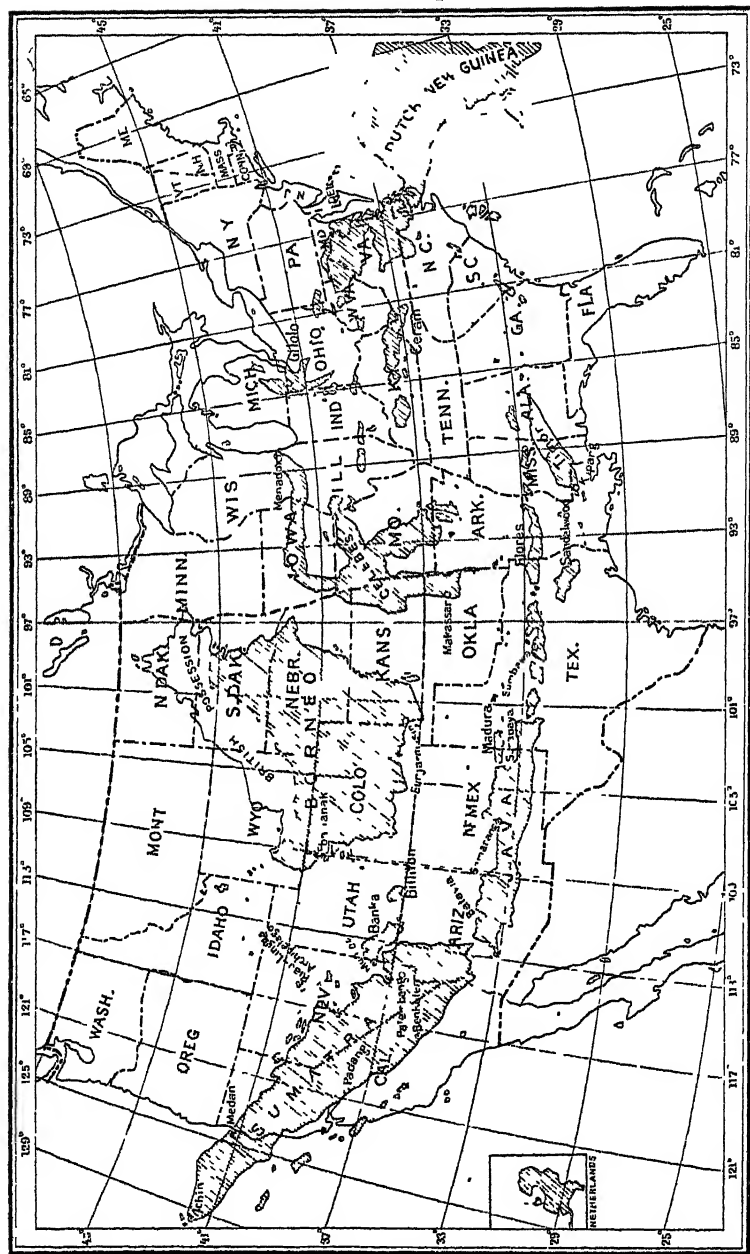
Chapter I

LAND AND PEOPLE

BETWEEN Australia and the southeast corner of Asia and adjoining the Philippines lie the Dutch East Indies, comprising the major part of the Malay Archipelago. The official name of the dependency is Netherlands India, although it is seldom referred to by that name. In recent years Netherlands Indies has come into a fairly wide usage, probably because of a mistaken impression that that is the official name. *Insulinde*, a name coined by Douwes Dekker, the author of *Max Havelaar*, was widely used for a time, but it has lost popularity to a new name. About seventy-five years ago a German ethnologist by the name of Bastian applied the term "Indonesia" (realm of the Indian Islands) to all the islands of that region, including the Philippine Islands, Formosa, British Malaya, and Madagascar, as well as the Dutch East Indies. By use the term has become more and more restricted to the Dutch East Indies. It has found its way into scientific literature, but not into official documents, though efforts have been made to obtain for it an official sanction. While many Dutch still frown upon its use, the name has been adopted by the Indies nationalists and is rapidly winning a wide popular usage.

LAND

The Dutch East Indies has at least two claims to distinction: it is the most important equatorial country in the world, and the world's largest insular empire. The equator cuts right across the islands, with about two-thirds of the country lying south of it. The East Indies are composed of thousands of islands, ranging all the way in size from mud flats a few acres in extent to Borneo, the Dutch part of which is as large as France. The combined area of these islands under Dutch rule is 733,000 square miles, or about one-quarter the area of continental United States. In 1940 the population exceeded 70,000,000, of which nearly 50,000,000 lived in Java and Madura.



THE DUTCH EAST INDIES, SUPERIMPOSED ON A MAP OF THE UNITED STATES
(Comparative Map No. 2, United States Coast and Geodetic Survey)

The Dutch East Indian islands are popularly divided into four large groups. The four large islands of Sumatra, Borneo, Java, and Celebes are grouped together and called the Greater Sunda Islands. The group of smaller islands running east of Java—that is, Bali, Lombok, Sumbawa, Sumba, Selor Islands, Wetar, Flores, and Timor—are called the Lesser Sunda Islands. The Moluccas, once more widely known as the Spice Islands, lying between Celebes and New Guinea, constitute the third division; and lastly, that part of New Guinea which belongs to the Netherlands, with the surrounding islands, forms the fourth division. However, historically and administratively the division has been quite different from that outlined. Though Java constitutes less than one-fourteenth of the total area of the East Indies, and though it is the smallest of the four Greater Sunda Islands, the historical and administrative division has always been between Java, including Madura, and all the other islands lumped together as the Outer Territories, or Outer Possessions. The reason for this is to be found in the fact that Java was the richest, most highly developed, most densely populated, and most centrally situated of all the islands.

The extensive area of the islands and the vast distances between them are not generally realized. The extreme east and west points are as far apart as New York and San Francisco, and the distance between the north and south is about 1100 miles. The largest of the islands is Borneo, the Dutch part of which has an area of 213,000 square miles, or an area almost exactly equal to that of France. Sumatra, the second largest island, with an area of 162,000 square miles, is larger than California. New Guinea is, of course, the largest island of the whole Malay Archipelago, but that part of it which is under the Dutch flag has an area of about 153,000 square miles, which is a little more than the area of Japan proper. Celebes has an area of over 71,000 square miles.

The islands are covered with scores of active volcanoes and eruptions are quite frequent. Earthquakes are naturally also of frequent occurrence. Indeed, the fertility of Java's soil is in large part to be ascribed to its numerous volcanoes, whose eruptions have enriched

the soil with their ashes and mud streams. Java has other advantages to account for its greater wealth. It has larger areas of low plains than the other islands; the mountainsides slope more gently, thus permitting large-scale irrigation and sawah rice culture. Bali and Lombok enjoy many of the advantages of Java and support large populations. Borneo is covered with limitless swamp forests and hill country that is not highly fertile. Its low plains are almost level, so that they have not been drained by the natives. The Sumatran plain is likewise surrounded with a wide belt of morass, and the large rivers which flow through these plains cannot be used for irrigation, hence the sawah culture in Sumatra remains limited to small sections far inland, inaccessible to trade. In contrast with the other Greater Sunda Islands, Celebes is without extensive areas of low plains. It is a mountainous country with a sparse population. New Guinea is covered with vast swampy forests, and long chains of high, nonvolcanic mountains form the backbone of the island. Some of the peaks are covered with eternal snow, though lying directly under the equator.

The climate of the East Indies is characterized by copious rainfall, low winds, high temperature, and great humidity. The Royal Meteorological and Magnetic Observatory at Batavia has registered temperatures since 1866, and during all those years the temperature has never gone above 96 degrees Fahrenheit. This highest temperature was in the abnormal year 1877, when there was also registered the lowest temperature recorded, 66 degrees. The average yearly temperature at Batavia is 79 degrees. In the hottest months the temperature goes only a degree above this, and in the coolest months only a degree below. But the humidity is high, even in the dry season. Greater variations, especially between night and day, are found as one goes inland. Temperature depends upon altitude, not upon season. Decrease in average yearly temperature is about one-half degree Fahrenheit for every 310 feet of ascent. There is never any wind at night nor very much during the day. The average yearly rainfall, which is 1.8 meters at Batavia, increases with the elevation. At Buitenzorg in the foothills it is 4.5 meters. The rainfall becomes greater as one goes

north, where the effect of the Australian desert diminishes. In Borneo and Sumatra the rainfall reaches three and four meters annually.

PEOPLE

The 1930 census gave the Dutch East Indies a total population of 60,731,025. This marks an increase of 23 per cent over the previous decade. Part of this large increase may be fictitious, explained by the greater precision of the 1930 over the 1920 census and previous ones. The average number of inhabitants per square kilometer increased from 26 in 1920 to 32 in 1930. But the average has little meaning, since the population is very unevenly distributed over the islands. Java and Madura had a population of 41,719,524, or over two-thirds of the total population of the country. The population of the other large islands was: Sumatra, 8,238,570; Borneo, 2,194,533; Celebes, 4,226,586; Bali, 1,101,000; Lombok, 701,117; Timor and the adjoining islands, 1,656,636; and the Moluccas and New Guinea, 893,030. The percentage of increase of indigenous population over the decade was greater for the Outer Territories than for Java, 30.6 and 18.8 per cent, respectively. The density of population in Java was 314.5 per square kilometer, which ranks Java among the most densely populated areas of the earth. The average density in the Outer Territories was only 10.7; but this figure again is of small importance, since the density is so divergent on the different islands.¹ A very small percentage of the population is urban. In Java and Madura there are only six cities with a population of more than 100,000. Batavia, the largest city in the East Indies, had a population of 437,433. Palembang, in Sumatra, with a population of 109,000, was the only city in the Outer Territories with a population of more than 100,000 in 1930.

Even more interesting than the geographical distribution of the population over the islands is the distribution among the various population groups. For administrative and legal and judicial purposes the inhabitants are divided into three groups: Natives, Europeans,

¹ For the 1930 population figures see *Volkstelling*, 1930, Pt. I, Java and Madura, and Pt. II, Outer Provinces, Departement van Landbouw, Nijverheid en Handel.

and Foreign Asiatics.² For census purposes the inhabitants were divided into four racial groups: Natives, Europeans, Chinese, and Other Foreign Asiatics. In 1930 the number of Natives was 59,143,755, of Europeans 242,372, of Chinese 1,233,856, and of Other Foreign Asiatics 114,000. Most of these were Arabians (71,000) and British Indians (30,000). It is significant that the percentage of increase was greater for the Europeans and Foreign Asiatics than it was for the Natives in the decade between the 1920 and 1930 censuses. The Europeans and Foreign Asiatics are concentrated in the large cities.

In the predepression years the number of immigrants was not inconsiderable. Between 1920 and 1930 the number of aliens entering the country, exclusive of government employees and their families and tourists, varied between 32,000 and 42,000, but in 1933 the number had dropped to 9280. After standing for a few years at around 12,000, the number of immigrants rose to 19,000 in 1937 and 28,000 in 1938. The total number of immigrants is now restricted, by an act passed by the Volksraad in 1937, to 12,000 a year.³ With the exception of the Chinese and the Dutch the number of immigrants of any one nationality is limited to 800. From one-half to two-thirds of the immigrants are Chinese. In 1937, 20,000 of the 28,000 immigrants were Chinese. The second largest group are the Dutch. In 1920, 5214 came to the Indies, slightly less than 2000 in 1932, and 4054 in 1938. The number of Japanese immigrants has never been large and the number has declined in recent years, from 777 in 1933 to 396 in 1937.

EUROPEANS

Before 1870 the number of Europeans was small and consisted mostly of officials. Previous to that year, individual Europeans were not welcomed; all sorts of obstacles were placed in their way. The East Indian Company wished to maintain an absolute monopoly and brooked no

² See chap. xii, "Law and the Judiciary." Under Europeans are included the Japanese, Egyptians, Turks, and Filipinos, but the number of these does not exceed a few thousand.

³ In 1939 the Volksraad passed a motion by the close vote of 26 to 25 setting 6000 as the maximum number of immigrants to be admitted in any one year. The writer has no information as to whether the Government accepted the motion.

initiative aside from its own. The policy of the Dutch Government was little different in this respect during the period of the "culture system," which prevailed during the middle half of the century. It was only with the adoption of a new agrarian policy in 1870 that the islands were opened to Western enterprise, by permitting the concessions of wild lands to non-natives for periods not to exceed 75 years. As a result the number of Europeans increased from 36,000 in 1870 to 242,000 in 1930. With the opening of the Outer Territories, with their great areas of unoccupied lands, the European agricultural enterprises acquired greater room for extension.

Not all the persons listed in the census as "Europeans" are of European origin. The census classification of "European" includes all persons who have been assimilated to the Dutch with respect to their status under East Indies law.⁴ Thus only 208,000 of the 240,000 persons classified as European were Netherlands, and 7000 were Japanese. The group also included nearly 9000 natives, who had acquired European status under the law by a procedure not unlike that of individual naturalization. Others included under the European group were 7000 Germans and Austrians, 2500 Britishers, and 650 Americans.

Of the 242,000 "Europeans" living in the East Indies in 1930, 193,000 lived in Java and Madura, and of these more than 100,000 were concentrated in the seven largest cities of Java. Of the 48,000 living in the Outer Territories, over 28,000 were found in Sumatra, and of these again over 11,000 inhabited a small area called the East Coast, the great center of European cultures. The distribution among males and females was much better than one would expect—129,000 and 113,000, respectively.

The European population is divided into two groups: the Europeans and the Eurasians, generally called Indo-Europeans. There are no official statistics on the percentage in each group, since the Eurasians are legally assimilated to the Europeans, but the percentage of the latter is high, probably as high as 80 per cent. The explanation of

⁴ See chap. xii, "Law and the Judiciary."

the large numbers of Eurasians in the Netherlands Indies is to be found in Dutch policy. The early East Indian Company officials saw little prospect of Dutch colonization in the East Indies except through miscegenation with the natives. The Company learned from a few attempts that it was impossible to bring European women of any moral or social standing to the Indies. Thus relations with native women were encouraged. There has never been a prohibition against mixed marriages; indeed, Netherlands have on occasion been severely punished for breach of promise to marry native women. By a decree of the year 1617, Europeans married to native women were denied the right to repatriate, and a little later a similar prohibition was issued for those married to Eurasian women. The effect of the law may not have been what was intended. It very probably encouraged concubinage, for the prohibition did not apply to Europeans having native concubines. In whatever form, relations with native women were encouraged. Native women were brought in scores to Batavia. Balinese women were much in favor. They were brought to Batavia in such large numbers that the Batavian patois contains many Balinese words.

Another important factor in explaining the large number of Eurasians is the relative absence among the Dutch of race prejudice. The Dutch attitude is in marked contrast with that of the British in their dependencies. Eurasians have held the highest positions in government and in business. There is very little social discrimination, though even Dutch people complain of a change of attitude in recent years. This change is most marked where British influence is greatest, as in the East Coast of Sumatra.

A close relationship between the army and the Eurasians is generally assumed. Many Eurasians are undoubtedly the children and descendants of Dutch soldiers, and large numbers of Eurasians enter the army. This relationship was epitomized by the remark of a Dutch general that "the barracks produce for the barracks." Though the general's remark exaggerates the relationship, governmental policy has sometimes actually promoted it. For example, Governor General

van den Bosch felt that the government had a moral obligation to look after the welfare of children born of native mothers and European fathers. Many of them, abandoned by their parents, wandered about from family to family in the native villages, a burden on the native population. By a decree of 1831, such children were ordered sent to orphanages at Semarang. Upon reaching their eighteenth birthday, the young men were ordered into the army, for the reason, it was stated, that they had been maintained in the orphanages at government expense.

The common term applied to the Eurasians in the Indies is Indo-Europeans, or Indos for short. Under this term are sometimes included not only those of mixed European and native blood, but also pure-blooded Dutchmen born in the Indies, and the "stayers," Europeans who have come to the Indies to make it their permanent home and who are often married to Eurasian, Indo-Chinese, or native women. The number of Indos is generally estimated at 80 per cent of the European population, though some estimates run higher. Many Indos have found their way to the Netherlands. According to the 1930 census, there were 32,000 persons in Holland who had been born in the East Indies. In The Hague alone there were 12,000 such persons.

The lot of the Eurasian, except for the few decades from 1900 to 1930, has been far from easy. He has had to fight for existence in an unfavorable situation. The army stood open to the Eurasians, but they were not eager to enter it, for the reason that soldiers were held in low esteem by the Dutch. The East Indian Company systematically excluded Eurasians from its service. Nor did matters immediately improve after the government took over the Company. It was not until the middle of the last century that there was a change of policy. Until then, Europeans and nonindigenous Asiatics, mostly Chinese, were given preference over the Eurasians. Because of the bad economic conditions in Holland during the first three quarters of the nineteenth century, many Dutchmen migrated to the East Indies and there competed with the Indos for the lower positions.

Around 1850 there was a change of policy with respect to the

Eurasians. The Indies government issued instructions to district officials that they should give preference to the Eurasians in recruiting minor officials. But this did not immediately effect a great change. No great improvement was possible so long as there were no educational opportunities in the East Indies, and it was not until 1882 that European education on any scale was made available. From that time on, however, the clerkships in private business and the lower positions in the government service came to be regarded as the patrimony of the Eurasians. These positions belonged to them, it has been said, just as the soil belonged to the nobility under feudalism.

THE CHINESE

The Chinese were in the East Indies long before the Dutch and have always outnumbered them. Immigration in recent years has been very heavy; the number in the East Indies increased from 809,000 in 1920 to 1,234,000 in 1930. Most of them come from the provinces of Fukien and Kwangtung in southeastern China. Although they are more widely dispersed over the islands than the Europeans, there is nevertheless a good deal of concentration in certain urban and other centers. In contrast with the Europeans, more than half, or 650,000, are found in the Outer Territories. The tin mines of Banka and Billiton and the large European cultures in the East Coast of Sumatra have drawn thousands of Chinese coolies, most of whom remain only a few years and then return home. Like the Europeans, the Chinese group is divided into Chinese and Indo-Chinese. Probably about one-third of the total number of Chinese in the Indies are immigrants. Until recently, few women were found among the Chinese immigrants, and as a result the Chinese married the native women. However, these Chinese, even after centuries in the East Indies, were not absorbed. Though for the most part losing the Chinese language, they remain a race apart from the natives.* The Chinese form a very important group in the heterogeneous East Indian society.

* See Vandenbosch, "A Problem in Java," *Pacific Affairs*, November, 1930

OTHER FOREIGN ASIATICS

The Arabians constitute the third most numerous and important nonindigenous racial group in the East Indies. They have been coming to the Dutch East Indies for centuries, even before the Mohammedanization in the 15th and 16th centuries, but there is no evidence to indicate that their coming had any special significance. The later Arabian immigrants have nearly all come from Hadramaut, which is located in the south-central part of Arabia, bordering on the Gulf of Aden. From of old the inhabitants of this sterile, poverty-stricken land were forced to seek their living outside of their country. They steadily sought their fortunes at greater distances from home until in the 17th century they came to the East Indies. Like the Chinese, they married native women without losing their distinctiveness in East Indian society. According to the census figures of 1930 there were 71,000 Arabians in the East Indies. The next most numerous groups among the Other Foreign Asiatics are the British Indians and the Ceylonese, who have been coming to the East Indies in increasing numbers in more recent years.

INDIGENOUS POPULATION

The indigenous people of the Dutch East Indies, with the exception of certain tribes in New Guinea, belong to the large ethnological group called Indonesians. They are found not only in the Dutch East Indies, but also on the neighboring islands of the Philippines, the Malay Peninsula, and even on such distant islands as Formosa and Madagascar. The Indonesians are characterized by smallness of stature, light to dark brown pigmentation, thick, sleek, black hair, broad formation of head, wide nose, and thick lips. The Papuans of New Guinea are a negroid people, and belong to the Melanesian group. The inhabitants of the islands near New Guinea and even those of the southern Moluccas are a mixture of Indonesian and Papuan blood, with the Papuan features predominant in many. The Indonesians of the Dutch East Indies are again divided into about

twenty smaller ethnic groups, such as the Malays, the Bataks, the Javanese, Boegenese, Sundanese and others. Sumatra is predominantly the home of the Malays. Java is inhabited by three different peoples: the Sundanese in the western, the Javanese in the central, and the Madurese in the eastern section.⁶ A leading Dutch ethnologist classifies the languages spoken in the Indies into eleven main groups.⁷

There are among the indigenous people of the Dutch East Indies striking differences in civilization. There are tribes in the heart of Borneo which still live by hunting; there are the Koeboes in the interior of southern Sumatra and the Papuans of New Guinea in a very low stage of development; and there are the inhabitants of Java and Bali, who carry on a very highly developed agriculture and have, from many points of view, no mean civilization.

There has been in the East Indies an absence of that cultural assimilation which is so marked in the neighboring Philippines. In two sections in the Outer Islands—the Minahasa in northern Celebes and the island of Ambon—conditions are similar to those in the Philippines in regard to Spanish culture. The territory was much more sparsely inhabited and had a lower form of indigenous religion. Here the conversion to Dutch culture has progressed to such a degree that the districts are often spoken of as the twelfth and thirteenth provinces of the Netherlands. In Java the enormous population mass and Islamism offered a powerful resistance to the penetration of Dutch culture.

⁶ See van Eerde, *De volken van Nederlandsch-Indië*, I and II.

⁷ Van Eerde, *Volkenkunde van Nederlandsch-Indië*, pp. 40-42.

Chapter II

SOCIAL AND ECONOMIC STRUCTURE

THE SOCIAL and economic structure of the Dutch East Indies is characterized by (1) the great density of the population of Java, (2) the sparseness of population of the Outer Territories, (3) the small percentage of the population living in cities, (4) the presence of large foreign racial groups, (5) the social and economic stratification of society along racial lines, (6) the presence of extensive Western enterprises, and (7) the wide range of the Government's economic activity.

JAVA'S DENSE POPULATION

Java and Madura, with an area equal to that of the State of New York, support a population of about 45,000,000. Unlike New York, Java is overwhelmingly rural. Moreover, a very large proportion of the surface is over 3000 feet above sea level, where of necessity the density per square mile falls relatively low. The density in 1930 was 314.5 per square kilometer. This compares with other densely populated countries or districts as follows: Netherlands, 225.9; Saxony, 335.8; Great Britain, 250.6; Japan, 163; and Bengal, 234.6.¹ Java supports a larger population than any other equal area in the world, and the remarkable fact about it is that so little of the population is urban. Only 6 per cent of the people live in cities of more than 24,000 population. Batavia, the largest, and Surabaya, the second largest city, have populations of 437,433 and 336,814, respectively.²

The explanation of the phenomenon of such an extremely dense agricultural population mass is to be found in several factors. There is first the extraordinary combination of physical conditions. Extensive level plains of deep, rich soil, whose fertility is constantly renewed by the soil which the heavy rains wash down from the

¹ *Démographie des divers pays du monde*, Institut International de Statistique, 1929

² Other large cities are Semarang, 217,775; Bandoeng, 166,722, Surakarta, 163,013, Djokjakarta, 136,554; and Meester Cornelis, 97,337. In 1938 Meester Cornelis was incorporated with Batavia, giving the latter a population of 533,015

mountains, and an abundance of water, sunshine, and a high temperature at all seasons combine to make Java one of the most productive spots on the earth's surface. The heavy rainfall on the mountains produces innumerable mountain streams which can be used for irrigation even in the dry seasons, and thus makes possible the growth of as many as three crops per year in certain areas. Limited to the

TABLE 1
NATIVE POPULATION OF JAVA AND MADURA FROM 1815 TO 1930

Year	Population	Yearly percentage of increase during the previous period
1815.	4,499,250	....
1845	9,374,020	2 48
1858....	11,758,700	1.76
1880	19,540,813	2 34
1890	23,609,312	1.91
1900.	28,386,121	1.85
1905	29,924,558	1.06
1920... ..	34,433,476	94
1930	40,890,244	1 73

rainfall of the lowlands, Java might be able to yield only one, or at most two crops a year. A second important factor is the presence of an industrious indigenous population with few needs and desires.

A third and very important factor is the presence of the Dutch raj. This is clearly apparent when the density of Java's population is contrasted with the sparseness of that of the Outer Territories. A century and a half ago the population of Java was relatively not much greater than that of the other islands. The Dutch colonization centered its activities on the north coast of Java and further at a few sparsely populated points such as the Spice Islands of the Moluccas. In the beginning the East Indian Company everywhere followed the policy of trade monopoly, supported by fortified settlements on the coast which had been obtained by negotiation or conquest. But in Java the Company was early compelled to shift to a territorial policy. Here it dis-

covered that it could trade only if it governed, and steadily by degrees the Company became primarily ruler rather than trader. The Dutch control put an end to the incessant wars, brought modern hygiene, scientific irrigation, and better seeds and methods of tilling the soil. The effect of Dutch rule on population growth may be seen from table 1.

Compared with other Asiatic countries the growth over the last decade is not startling. During the same decade the average yearly percentage of increase for Japan was 1.42, and for British India, 0.98.³ However, the sudden jump in the average increase of the last decade over that of the two previous decades seems inexplicable on the basis of vital statistics. Inaccuracy of the previous enumerations seems the only explanation. If this is correct, the rate of increase may be declining. At all events, the economic benefit of Dutch rule has not gone into higher standards of living, but has been neutralized by an increase of population.⁴

THE SPARSELY SETTLED OUTER PROVINCES

In contrast with the population density of Java is the sparseness of the population of most of the other islands. The average population density for all the Outer Provinces is 10.7 per square kilometer, but this average is very misleading. Two islands, Bali and Lombok, have a density of 170.9, which indicates conditions approaching those of Java. A few other isolated districts, like those of the West Coast of Sumatra, Deli, and Serdang on the northeast coast of Sumatra, and the territory surrounding Makassar in southern Celebes, also have a comparatively dense population, but nowhere is the density such as to constitute a problem. In fact, most of the Outer Islands may be said to be underpopulated. The population density of Borneo is only 4.1. While the native population of Java and Madura increased 18.1 per cent during the 1920-30 decade, the Indonesian population of the

³ Creutzberg, "De voorloopige uitkomsten van de Volkstelling 1930," *Koloniale Studien*, October, 1931, pp 568 ff.

⁴ The problem of overpopulation is discussed in chap. xvi, "Welfare Policy."

Outer Islands increased 30.6 per cent, but not all this increase comes from the indigenous peoples of these regions, as there was a considerable migration from Java to Sumatra. The sparseness of the population of the Outer Islands may be explained in part by the lesser fertility of the soil, the generally lower stage of development of the people, and the relatively brief period of effective occupation by the Dutch. In many of the Outer Islands effective control was not established until after 1900 and the intensive penetration of the Dutch administrative agencies took place even later.

SMALL URBAN POPULATION

Some figures have already been given on urban population. Java is only slightly urbanized, and the remaining islands even less. Only 6 per cent of the native population of Java and Madura live in municipalities⁵—a very striking fact for so large and dense a population. Moreover, the large cities of the East Indies are to a marked degree nonindigenous; Europeans and nonindigenous Asiatics dominate the life of all of them. This is in sharp contrast with the large cities of other Asiatic countries. While it is true that in most of these countries Europeans and foreign Asiatics dominate the life of a few of their largest cities,⁶ in none of them do the natives play a less important role than in the East Indies. And in nearly all of these countries there are cities in which a foreign element is completely absent or insignificant. The racial composition, and also the trend of the seven largest cities of Java and Madura, can be seen from table 2.

The figures in the chart indicate that although the population of the seven cities grew more rapidly than the total population of Java, the increase is not remarkable. More noticeable is the large percentage of the population represented by the foreign groups, and the fact that, with the exception of the Europeans, they have increased more rapidly than the natives.

⁵ For demographic purposes this is not quite accurate, as it excludes many large villages which probably ought to be considered urban. However, by including even these the urban population does not exceed 10 per cent

⁶ For instance Bombay, Calcutta, Manila, Shanghai, and Singapore

No simple explanation of the absence of urbanization and the continuing predominantly rural character of the East Indian society can be offered. The development of cities may be retarded by the self-sufficiency of agriculture and the economic weakness of the farmer. The economic strength of the farmer may be small because he has few desires, or he may have wants but, owing to his inability to produce more, cannot satisfy them. In the first case the problem is a

TABLE 2

RACIAL COMPOSITION OF THE SEVEN LARGEST CITIES OF JAVA AND MADURA

Population groups	Population		Popula- tion of 1930 in per cent of that of 1920	Percentage of the whole population		Population of the seven cities in per cent of the total population of Java and Madura	
	1920	1930		1920	1930	1920	1930
Natives	800,971	1,251,298	156 22	80 96	80 43	2 3	3.1
Europeans	72,235	104,788	145 07	7 30	6 74	53 4	54 1
Chinese	105,293	182,041	172 89	10 64	11.70	27 4	31.2
Other foreign Asiatics	10,832	17,521	161 75	1 10	1 13	34.7	32 9
Total . . .	989,331	1,555,648	157 24	100 00	100 00	2 8	3.7

Adapted from Creutzberg, "De voorloopige uitkomsten van de Volkstelling 1930," *Koloniale Studien*, October, 1931

psychological one, in the second a technical one.⁷ Moreover, East Indian native society is not one economy, but a series of small isolated economies.

A number of industries have been begun in Java during the past five years. If this industrialization progresses the percentage of urban population may rise, but it may be doubted whether the industrialization so far effected has enabled the cities to do any more than absorb their share of the population increase of the last decade.

⁷ See Boeke, "De economische verhouding van stad en dorp in Nederlandsch- en Britsch-Indië," *Koloniale Studien*, April, 1931.

What cities there are have a peculiarly ephemeral character. Their character is aptly described by Dr. de Kat Angelino:

As a rule, the picture presented by Eastern society is precisely that of a vast countryside without any cities. Hundreds of towns, it is true, have arisen even in the heart of primitive Africa, in the course of centuries, and some of them contained over a million inhabitants. Usually, however, they had an entirely different character from the city republic of the Greco-Roman world, or from the medieval cities, which were the bulwark of European burgherdom based on the division of labor, growing by their own strength and peopled by industrious folk whom a process of natural selection had carried within their gates. This made the medieval city a world by itself, with a mind and soul of its own, standing out against the mentality of the surrounding agricultural area as sharply as the outline of its wall and towers against the landscape. It lacked the ephemeral character of so many Oriental towns, which owe their existence to the choice of a Ruler, of a feudatory magnate, or of officials in search of a residence. A mere concentration of populations attached to their immediate surroundings, sprung up by accident and devoid of future prospects, never becomes a real city. The difference has been expressed by Spengler when he says [*Der Untergang des Abendlands*, II, 106] that most Eastern cities have no soul.⁸

LARGE FOREIGN POPULATION GROUPS

The presence in East Indies society of large foreign population groups has been briefly touched upon. A survey of the population by racial groups is given in table 3.

The 1930 census reports indicate that the foreign population groups experienced a marked increase in numbers; indeed, large as was the increase in the indigenous population, the rate of increase of the foreign groups was even greater. Owing to the fall in the number of immigrants during the years of the depression and the restriction of immigration since 1937, the rate of increase of the foreign groups during the past decade was probably no larger than that of natives. Another noteworthy fact was the rate of increase of the women in these groups, which was greater than that for the men. The numerical relationship between the men and women in these groups was in the past very abnormal, but this condition, except among the Chinese in

⁸ *Colonial Policy*, I, 77-78.

the Outer Provinces, has about corrected itself. Altogether the foreign racial groups constitute a large numerical element of the total population.⁹ Socially and economically their significance is even greater.

TABLE 3
DISTRIBUTION OF POPULATION BY RACIAL GROUPS

Racial groups	Population in 1920	Population in 1930	Population in 1930 in per cent of that of 1920	Percentage of the total population		Number of females per 1000 males	
				1920	1930	1920	1930
Natives	48,304,620	59,143,775	122.4	98.9	97.4	1,020.9	1,029.8
Europeans	169,708	242,372	142.8	0.3	0.4	786.2	878.5
Chinese	809,647	1,233,856	152.4	1.6	2.0	562.0	646.2
Other Asiatics	66,859	111,022	166.1	0.1	0.2	701.7	812.3
Total	49,350,834	60,371,025	123.1	100.0	100.0	1,009.7	1,019.1

Adapted from *Volkstelling*, 1930, p. xiv.

ECONOMIC STRATIFICATION ALONG RACIAL LINES

The economic position of the three main racial groups is clearly illustrated in table 4 (p. 20).

As can be seen from this table, most of the Indonesian income-tax payers are found in the 120- to 400-florin income brackets, most of the foreign Asiatics in the 400- to 1200-florin income brackets, and most of the European income-tax payers appear in the 1200- to 5000-florin income brackets. Though the Europeans are by far the smallest group, they nevertheless greatly outnumber the other racial groups in the higher income brackets. The economic stratification along racial lines can be seen even more clearly if viewed a little differently. Of the total income taxes paid by the European group, 81.27 per cent is contributed by those falling within the 5000- to 200,000-florin income class; while of the natives' share 85.5 per cent is paid by the income group

⁹ There are four times as many Europeans per thousand population in the Dutch East Indies as there are in British India. According to the 1921 census, there were 287,069 Europeans, including the Anglo-Indians, in a total population of 312,942,000.

of from 120 to 1200 florins, and of the foreign Asiatics' share 53 per cent comes from the income groups of from 400 to 5000 florins.¹⁰ Among the 100 highest income-tax payers there are about ten Chinese; among the thousand highest, 150 Chinese and 10 Javanese. Exclusive of persons residing outside of the East Indies, the Europeans in 1928 paid 25,322,000 florins in income taxes; the foreign Asiatics, 8,785,000 florins; the Indonesians, 14,400,000 florins. From these fig-

TABLE 4
INCOME-TAX PAYERS ACCORDING TO RACIAL GROUPS IN 1926

Assessable income in florins	Europeans	Nonindige- nous Asiatics	Natives	Nonresi- dents	Total
120- 400	2,659	153,406	2,745,872	625	2,902,356
400- 1,200...	9,577	200,641	415,339	618	625,990
1,200- 5,000..	36,227	34,202	44,763	962	115,819
5,000- 10,000 .	19,773	3,972	1,711	350	25,675
10,000- 25,000 .	9,480	1,493	357	181	11,459
25,000-200,000.	1,675	405	51	128	2,242
200,000-500,000. .	22	4	.....	10	36
Total . . .	79,413	394,123	3,208,101	2,884	3,683,577

Compiled from figures given in *Statistisch jaaroverzicht van Nederlandsch-Indië*, 1928, pp. 146 ff.
1 florin=40 cents.

ures it is evident that the East Indian economic pyramid has a very broad base, made up mostly of the indigenous people, and that this base quickly converges into a narrow sharp point, with the foreign Asiatics forming the bulk of the center, and the Europeans, with a sprinkling of foreign Asiatics, at the top.

Tables 4 and 5 are not altogether comparable, for the reason that incomes below 900 florins are not included in table 5. In 1934, incomes totaling in both wage and other income less than 900 florins were made exempt from the income tax. Yet table 5 is valuable in indicating what changes, if any, a decade had made in the distribution of income among the various racial groups. In 1936, 64,447 Europeans

¹⁰ Departement van Landbouw, Nijverheid en Handel, *Mededeelingen van het Centraal Kantoor voor de Statistiek*, No 69, p 26

paid taxes on a total income of 265,517,360 florins; 40,155 Chinese and other nonindigenous Asiatics, on 90,654,775 florins; and 27,358 natives, on a total of 50,517,773 florins. Though the Europeans constitute less than 0.5 per cent of the country's population, they received 65 per cent of the income individually subject to the income tax. The nonindigenous Asiatics account for 2 per cent of the population, yet they received over one-fifth of the income individually subject to the

TABLE 5
INCOME-TAX PAYERS ACCORDING TO RACIAL GROUPS IN 1936

Assessable income in florins	Europeans	Nonindige- nous Asiatics	Natives	Total
900- 1,200	6,081	10,155	8,889	25,125
1,200- 5,000	41,294	27,360	17,709	86,363
5,000-10,000 . . .	13,610	2,064	625	16,299
10,000-25,000 . . .	3,174	516	129	3,819
25,000 and higher . . .	288	60	6	354
Total	64,447	40,155	27,358	131,960

Compiled from *Indisch Verslag*, 1938, II, 171, 172.

income tax, whereas the natives, who constitute 97.5 per cent of the population, received only one-eighth of this income.

The Europeans are largely found in the population centers. Fifty-four per cent of all the Europeans in Java and Madura live in the seven largest cities. Many of them are officials and their families,¹¹ others are the owners of urban business enterprises or in their employ, others are planters or administrators and employees on the large agricultural enterprises in the interior, and a small percentage are in the professions. By far the largest number of Europeans are in the East Indies in the hope of quickly making a fortune, or at least a respectable competence upon which to live in Europe for the rest of their days. This fact naturally gives the European society and economic life

¹¹ There are about 7200 imported Netherlanders and about 15,000 Indo-Europeans in the civil service, which means that probably nearly a third of the Europeans are government officials and their families

a very definite character. A small but increasing number are making the East Indies their permanent home.

The Europeans are divided into two quite distinct groups, the immigrant or "imported" European and the Indo-European, and most of the statements in the preceding paragraph refer only to the first group. The income-tax statistics for 1936 reveal that 47,000 of the 64,447 Europeans who paid income taxes had an income of less than 5000 florins. The large majority of this lowest group are Indo-Europeans, whose number is estimated at between two-thirds and three-fourths of the European population. The Indo-Europeans regard the East Indies as their permanent home, though not a few drift to Holland in one way or another. The Netherlands census of 1930 indicated that there were 32,000 Eurasians living in the mother country. Their number in The Hague alone was 12,000. Legally¹² and socially they are assimilated to the Europeans, but economically they have constituted the lower middle class. Their economic position is daily becoming more difficult, owing to competition from the constantly increasing numbers of educated Indonesians. The lower positions in the government service and private enterprises which were once their patrimony are increasingly being won from them by educated Chinese and Indonesians.¹³

The economic difficulties of the Indo-European have long been a subject of special concern on the part of the Government. Several official inquiries were made between 1872 and 1900 concerning the cause of poverty among them. A government commission was appointed in 1902 to make recommendations on the basis of the previous

¹² By comparison the position of the Anglo-Indians in India is ambiguous, as appears from an answer given by the Under-Secretary of State for India in the House of Commons in December, 1925. "For the purposes of employment under Government and inclusion in schemes of Indianization, members of the Anglo-Indian and Domiciled European Community are statutory natives of India. For the purposes of education and internal security, their status, in so far as it admits of definition, approximates to that of European British subjects" *Indian Statutory Commission Report*, I, 43

¹³ The writer does not wish to leave the impression that there are no Indo-Europeans in the higher ranks of the economic scale. Not a few reach the highest positions in the government service, and some Indo-European families are among the wealthiest in the East Indies. They send their children to the Netherlands to be educated and some go to Europe upon retirement.

inquiries. This commission recommended the creation of a central board of guardians of the poor and an inspection board for the purpose of giving assistance and encouragement to private organizations seeking to care for indigent children. It also recommended that soldiers enlisted in Holland be returned there before discharge, as most of the Indo-Europeans came from the union of soldiers and native women. Only the last recommendation was carried out.¹⁴ Since then the Government has aided them by granting facilities to engage in agriculture by means of leases at low cost to small plots of ground and the extension of cheap credit. The results have not been very gratifying. Another commission was appointed to study the question of giving the Indo-Europeans access to ownership of the soil. The proposal is meeting with great opposition on the part of the Indonesian nationalists. If carried out this proposal would constitute a major departure from a cardinal principle of Dutch colonial policy—the prohibition of alienation of soil to nonindigenous persons. While the Indo-European group is not large enough in itself to endanger the interests of the natives very much, it might nevertheless open the way to large-scale alienation to Chinese and Europeans by fraudulent methods.¹⁵

The whole Indo-European problem took on a different aspect in 1919 with the organization of the Indo-European Union, which has become a very active and powerful organization. It seeks to bring within one organization all persons born in the East Indies and their descendants, whether of European or mixed blood. It engages in politics and controls one of the largest groups in the Volksraad and the provincial and local councils. It has aided the education of Indo-Euro-

¹⁴ See Kielstra, "The Indo-European Problem in the Dutch East Indies," *Asiatic Review*, XXV, 588-595

¹⁵ The legal assimilation of the Eurasians to Europeans often works to their disadvantage. Because of a great food scarcity in 1919 the Government gave out rice below cost, but only to natives. The Indo-Europeans went to the Government and pointed out that thousands of them were living in the *kampong* or on its fringes, and that many of their native neighbors were well off, while they were poor; yet their rich neighbors could get government rice cheaply. The Government admitted the injustice, and extended them the same privilege, but in doing so it had to extend it to all Europeans and those assimilated to them. See chap. xii, "Law and the Judiciary."

peans by establishing schools and scholarship funds. By means of a general relief fund it seeks to provide for its poor. The Union has established several agricultural colonies in the Outer Territories and aids the economically weak Indo-European to colonize there.¹⁶

More than is to be noted of the other racial groups the Chinese are found in every economic stratum. Large capitalists, bankers, agricultural concessionaires as well as the humblest day laborers are counted among them, but their most important role in the economic life of the country is that of middleman and small tradesman. Aside from this peculiarly Chinese function in East Indian society, they have a monopoly of a few trades. The manufacture of rattan and other furniture, carpentry, and, with the Arabians, the extension of small loans, generally at usurious rates, are a few of the occupations which are almost exclusively theirs. In the Outer Provinces they are found in large numbers as contract laborers in the tin mines of Banka and Billiton and on the European plantations on the northeast coast of Sumatra, and in northwestern Borneo as independent farmers. Here centuries ago numbers of Chinese came in search of gold, and when gold mining became unprofitable they settled down to agriculture. But the all-important role of the Chinese is that of middleman; indeed, to date they constitute what is practically the only middle class of the country.

Socially and culturally the Chinese have remained a people apart. Governmental policy in the past is in large measure responsible for this. The Chinese were segregated; when a Chinese person traveled he had to be armed with a pass and report to government officials everywhere he stopped. From the Chinese quarter he emerged in the morning and to it he returned at night. Members of his own race were placed in authority over him, and he was left under his own customary law.¹⁷ These regulations were less the result of hostility to the Chinese than a yielding to convenience. It was probably thought

¹⁶ Recently there also occurred a spontaneous migration of Indo-Europeans to New Guinea

¹⁷ See Vandenbosch, "A Problem in Java," *Pacific Affairs*, November, 1930. See also chap. XII, "Law and the Judiciary."

wise to keep the races apart and it was certainly much easier to govern them through their own heads than to deal directly with members of a race who had peculiarities differing so widely from those of Europeans and natives. But whatever the cause, these regulations did retard, if not prohibit, cultural assimilation.

Gradually these regulations were relaxed and in 1919 the Government took the important step of placing the Chinese under the European Civil Code. As far as the criminal procedure law is concerned they still stand under the regulations and codes applying to the Indonesians. This is a source of offense to them and the Government has promised to assimilate them to Europeans in this matter also in the near future. Previous to 1907 the Government had neglected to provide education for them, but in this year it began to establish special schools for Chinese children, with Dutch as the medium of instruction. The Chinese also have communal representation in the Volksraad and the provincial councils. All this has had a tremendous influence upon the Chinese and a transformation is taking place. They are more and more adopting Western views and Western ways of living, and they are no longer an absolutely closed and united group. Large numbers of Chinese now attend the Dutch universities, which gives them a greater Dutch orientation. However, during the same period in which the Government was relaxing the regulations tending to isolate them, the nationalist movement was developing in China. The newer immigrants are as a result more oriented toward China than ever before, and not infrequently cause the Government much concern.¹⁸

As has already been stated, the economic development of the indigenous population varies greatly from place to place. In Borneo there are seminomadic peoples who make a clearing, plant, reap, and move on, piecing out their living by hunting and garnering the fruits of the forests. In close proximity will be found flourishing native rubber plantations whose owners are in daily communication with the rubber market at Singapore. A few decades ago nearly all the land

¹⁸ See chap. xx, "World Politics" Also see Stubbe en Colijn, *Neerlands Indië*, I,

was held in communal ownership, but ownership is by stages shifting to individual and transferable title. There is also a shift toward a greater money economy.

The East Indies are not an economic unit, but a series of closed village or family and clan economic units. The economy of Eastern society has nowhere been better described than by de Kat Angelino in his *Colonial Policy*:

The Eastern community tries to be self-sufficient in every way. The barter of commodities of labor, supplemented by a restricted use of money for the acquisition of commercial produce and for the payment of taxes, is sufficient for the slow rotation of goods within a limited circle. The needs of the household and of the community are the only standard by which the individual will measure his contribution in labor or in assistance. Such a closed economy creates the frame of mind which makes people averse to labor as a paid service such as we know it in the West. It is not labor itself, but the absence of reciprocity, which appears irksome. The normal harvest provides the necessary food. As a modicum of money is everywhere required, a few select products are cultivated for sale upon a wider market, and it is not rare that the language actually distinguishes between a harvest-for-food and a harvest-for-money....

The serenity of Eastern societies, the clemency of nature and the group mind which protects and fences off the individual, leave little room for differentiation, either in function, in wealth, or in power. Mutual dependence, uniformity of surroundings, of interests, and of labor are causes of the survival of the communal spirit, which was born from blood relationship but does not disappear, even when the sense of territorial community supersedes that which was based on genealogical identity.¹⁰

Production is regarded as an institution to provide needs, not profits, and there is therefore small inclination for saving. Whatever the native saves takes the form of houses, cattle, clothes, and ornaments, and sometimes gold, which he puts in a secret place. Because the East Indies is not an economic unit but a series of economic units, welfare differs greatly from place to place. Since isolation is not broken down by trade the standard of living depends upon the production possibilities of the locality, the fertility of the soil, the population density, and the stage of technological development. The differences

¹⁰ I, 69-71

in standards of living are greatest in the least penetrated parts of the Outer Territories, but are very great even in Java.²⁰

While little differentiation is to be found in such a society, a beginning is discernible. Of the heads of families, in Java, 2 per cent are government officials, 5 per cent are wage earners in Western industries, 8 per cent are engaged in native trade and industry, 3 per cent are better-situated farmers, 47 per cent are peasants who own their own land, 35 per cent are casual laborers who for the greater part are employed in native agriculture.²¹ The estimated average income of the Javanese family in 1928 was not more than 200 florins.²²

The relationship between land, labor, and capital differs in Java and the Outer Provinces. In overpopulated Java labor is relatively most abundant and therefore in the weakest position, whereas in most of the Outer Provinces land is the least valuable economic good. But everywhere throughout the East Indies capital is the scarcest element. For a country so poor in capital the annual pilgrimage to Mecca stands out as a remarkable institution. The pilgrimage, combining religion and touring, has an irresistible attraction for the Indonesians. In 1927 no fewer than 60,000 East Indians made the pilgrimage, and since it costs each pilgrim on the average 1000 florins the pilgrimage involved a total expenditure of 60,000,000 florins, an enormous sum for so poor a country. Whether the pilgrimage is a stimulant or a depressant in the formation of native capital is an open question.

The natives are sharing in the economic development of the Outer Provinces. Here quantitative expansion can take place more rapidly than the population increases, but in Java all available land is in use, and greater welfare can come only from intensification, and it would seem as if the limits of this had been reached. Of the exports of Java only a small proportion comes from native production, while of the exports of the Outer Provinces over half is produced by the natives. Thirty-six per cent of the exports of the entire East Indies has its origin in native production.

²⁰ See van Gelderen, *Voorlezingen over tropisch-koloniale staathuishoudkunde*.

²¹ Meyer Ranneft, "The Economic Structure of Java," in *The Effect of Western Influence on Native Civilizations in the Malay Archipelago*, edited by B. Schrieke

WESTERN LARGE-SCALE INDUSTRIES

It must be apparent that the Dutch East Indies is a country of intense colonization. In addition to the large colonies of foreign peoples controlling the economic life of the islands, there must now be added the large amount of foreign investments and the presence of numerous powerful Western business enterprises.²³ Western capital is invested in banking, shipping, mining, and agriculture, with agriculture taking the lion's share. The amount of outside capital invested in the East Indies is estimated at from four to six billion florins.²⁴ Three-fourths of this capital is estimated as Dutch. The Dutch East Indies Government bonds, now aggregating about a billion and a half florins, are held abroad, practically all by the Dutch. Before 1930 the profits on these investments ran as high as 400,000,000 florins yearly. During the worst of the depression years these profits practically disappeared and today are only a fraction of what they were in 1930.

In Java the sugar industry for a long time dominated the economic life of the island, though the production of tapioca, tea, coffee, and rubber was not unimportant. The importance of the European industries in the economic life of Java before 1930 can be seen from a few figures, which, though they are only rough estimates, outline the essential features of Java's economic structure a decade and a half ago. The annual income of Java amounted to about 2500 million guilders, 1500 million being derived from native and 800 million from European industries, and 200 million from the Government and the professions. The 1000 million florins not going to the natives was further divided as follows: 450 million left the country to pay for profits, interest, and capital goods, 300 million went to Europeans, and 250 million to Chinese.²⁵ The collapse of the sugar industry has greatly changed this picture.

²³ There is also a very large European civil service, penetrating native society with Western principles of administration. See chap. xi, "The Civil Service."

²⁴ See van Gijbland Oosterhoff, "Het groot-kapitaal in Oost en West Indie," *Indische Gids*, January, 1929, p. 129. Guinn, "Economic Importance to the Netherlands of the East Indian Colonies," U. S. Department of Commerce, *Commerce Reports*, June 23, 1930, *Quarterly Review*, Rotterdamse Bank-vereeniging, 1938, No. 3.

²⁵ Meyer Ranneft, *op. cit.*

In the Outer Provinces, Sumatra's East Coast, a relatively small area on the northeast coast of Sumatra, is the center of a tremendous concentration of European industries. The culture of tobacco was begun here about seventy years ago, and until 1905 the investments in this region were all in tobacco plantations. After 1905 and especially after 1910, the rubber culture attracted over 300,000,000 florins and by 1931 over 650,000,000 florins. Other main centers of European industry in the Outer Provinces are Palembang in southern Sumatra and eastern Borneo, chief centers of the oil industry, and the island of Billiton, where tin mines are operated. A remarkable fact in the Dutch East Indies is that the Government is itself a large producer. While it uses Western methods of exploitation, the proceeds ultimately go for the extension of the services of the Government and do not leave the country.

The European industries are very well organized, both in the East Indies and in the Netherlands. In the Netherlands it is the *Ondernemers' Raad*, Entrepreneurs' Council, including representatives of nearly all the larger-scale East Indian financial, commercial, agricultural, and shipping interests, and in the East Indies, *De Indische Ondernemersbond*, the East Indian Entrepreneurs' Union, composed of representatives of the same interests in India. They champion the interests of the large European enterprises in the press and with the Government. The retention of the labor contract with penal sanction, lower East Indian taxes, especially corporation and profits taxes, and a larger representation of their interests in the Volksraad are some of the particular measures upon which they have concentrated their attention.

Two large problems are tied up with the presence of the large-scale European industries. They relate to government finances and native welfare. The Government is very much dependent upon the tax resources flowing from the Western industries. In the years before 1930 the European industries contributed 40 per cent of the East Indian public revenues, the inhabitants 40 per cent, and the Government industries 20 per cent. Sumatra's East Coast alone rendered the

East Indian treasury, after deducting all the governmental costs of the district, a surplus of over 50,000,000 florins or enough for the entire East Indian governmental expenditures for education. The Government, when during the depression industries collapsed, ran huge annual deficits, and when the demand for the products of the Western enterprises again improved, the Government finances again showed a surplus. Unless a profitable Western industry can be counted on, the Government will have to reorient its policies in many respects.²⁶ The question of the influence of the large Western cultures upon native welfare will be discussed in the chapter on general welfare policy.

WIDE RANGE OF THE GOVERNMENT'S ECONOMIC ACTIVITY

The East Indian Government is itself one of the largest producers of raw materials and one of the largest operators of industrial enterprises in the country. Indeed, in prosperous years this is a very important source of public revenue. Out of a total ordinary revenue²⁷ of 544,370,000 florins in 1928, 164,527,000 florins came from the Government monopolies, products, and industries, and in 1927, 173,655,000 florins came from these sources.²⁸ In 1937 nearly 60,000,000 out of the total Government income of 365,000,000 florins came from these sources. The Government is engaged in these various economic activities for various reasons. It engages in the production of salt for fiscal reasons and in the production and distribution of opium and the operation of the pawnshops for the purpose of combating social evils. The Government exploits the tin mines of Banka purely for profit-making reasons, and very successfully. In 1927, before the price of tin fell, the Banka tin mines produced a net profit of 55,000,000 florins. Besides the postal service and savings, the Government also owns and operates harbor works, railroads, tramcars, and automobile bus lines, gold, silver, and coal mines, and teak forests, in addition to

²⁶ See chaps. xi and xvii, "The Civil Service" and "Taxation and Finance."

²⁷ For the Central Government only.

²⁸ And in 1927 the total ordinary income was lower—512,408,000 florins—thus increasing the percentage contributed by these sources.

wild forest reserves. The Government also operates large cinchona, rubber, tea, and gutta-percha plantations.²⁹

The explanation for this wide participation of the Government in economic activities lies in part in East Indian history and in part in the peculiar social and economic conditions prevailing in the East Indies. The East Indian Company was organized primarily for trade, but was granted governmental powers for secondary reasons, and when the Netherlands Government at the close of the 18th century dissolved the East Indian Company, a government with wide commercial functions replaced a commercial body with governmental functions. The tendencies of the East Indian Company continued through the culture-system period, and it was not until 1870 that the introduction of private enterprise on a large scale was encouraged. The historical tendency remained strong even after this shift in policy. The salt monopoly is only a form of taxation coming down from antiquity. The combating of social evils, such as usury and opium consumption, explains the other two government monopolies. Often, however, the Government was forced to enter the economic field for the reason that private initiative was lacking. Even in the high-tide days of laissez-faire the Government discovered that it had to do many things itself if they were to be done at all.³⁰

²⁹ A mixed form of government and private exploitation is also used, as for instance in the Billiton tin exploitation and in certain oil fields. Here the Government forms a joint company with private individuals.

³⁰ Reitsma, "Prof. Treub en de staats-bedrijven," *De Locomotief*, May 15, 16, 18, 1923.

Chapter III

RELIGION

NEARLY NINE-TENTHS of the inhabitants of the East Indies are Mohammedans. Pagans constitute the next largest group, numbering well over three million. The number of Christians is now about two million. Hindus, with the exception of Hindu immigrants, are found only in Bali and number about a million and a quarter. The Chinese, and the Indo-Chinese as well, adhere to the religion of their ancestors.

The natives of Borneo and of New Guinea and its neighboring islands, and the inhabitants of the Lesser Sunda Islands—Lombok, Sumbawa, Selor Islands, Flores, and Timor—are pagan. Many of the former pagan peoples have been won to Christianity, namely, the Bataks of Sumatra, about half the inhabitants of the Nias Islands, the people of the Minahasa in Northern Celebes, the Sanghi and Talaud Islands, which lie northeast of the Celebes, and the inhabitants of Central Celebes, the coast of New Guinea, and some of the neighboring islands. Naturally, it is among the pagans that Christian mission work has been most successful. The more primitive people, like those of Borneo and New Guinea, are animist and a deep strain of animism runs through the beliefs and practices of even those people who are won to higher forms of religion.

HINDUISM

For centuries the influence of the Hindus was great over large parts of the Indies, especially in Java and Sumatra. There was a considerable migration from India to the Indies. Mohammedanism established itself in northern Sumatra in the 13th century and from there spread southward and by the end of the 15th century was well in the ascendancy and had pushed Hinduism back into Bali; today only the million and a quarter inhabitants of this small island are Hindus.

Bali has attracted thousands of tourists and has acquired a world-wide reputation for the charm of its civilization. About this island and

its fascinating culture there has centered a rather warm controversy. In accordance with a provision of the Indies Government Act (Art. 177) the permission of the Governor General must be obtained before missionary activities may be started. In 1930 an American missionary society was granted permission to work among the Chinese population of Bali, but this permission was later withdrawn on the ground that the Christian missionaries were not confining their work to the Chinese. When it was learned that Dutch missionary societies were considering the advisability of opening work in Bali among the Balinese, the controversy began in earnest. Lovers of Bali and Balinese culture were opposed to the admission of Christian missionaries because they feared it would cause the break-up of the Balinese-Hindu culture. A resolution introduced by Balinese representatives requesting the Government "to refrain from giving either direct or indirect support to propaganda of a religious nature" was passed by the Volksraad. The Balinese chiefs sent a memorial to the Governor General in which they declared that the Balinese religion and social order form an inseparable whole, that therefore the shift of the Balinese to any form of ecclesiastical Christianity would carry with it a disturbance in the social equilibrium, and that the public order and peace would be endangered by systematic missionary activities.¹

The Dutch also discussed the matter. Some of those opposed to the entrance of missionaries held that the introduction of Christianity could only result in spiritual and cultural impoverishment and social misery. Others would like to keep Bali as a sort of sanctuary, an anthropological museum. Missionaries and friends of the missionary movement pointed out that Bali was already open to nearly every other alien influence—such as tourist traffic, commerce, the movies, Western administration and education and technology, and they ask what good reason there can be for singling out Christian missions for exclusion. They also ask whether a culture which needs artificial protection is worth preserving and whether it can be preserved. They

¹ Reports stated that the initiative in this whole matter had proceeded from Europeans who had even drafted the petition *De Locomotief*, *Overzee editie*, November 3 and 9, 1932.

point out that Christianity has already found its way into Bali, that the Balinese religion is only mildly Hindu, that in fact it differs very little from that found among the other animistic peoples of the Indies. The indigenous agrarian society, so it is asserted, is facing problems which it is unequipped to solve. The effect of all the other alien influences is to disintegrate and destroy, whereas Christian missions alone set themselves the task of working for spiritual and moral renewal and invigoration.²

MOHAMMEDANISM

The population of the East Indies is predominantly Moslem in religion. Of the nearly 61,000,000 inhabitants in the islands in 1930 it is estimated that not fewer than 54,000,000 were Moslems. Before careful study of Moslemism was begun³ it was thought that the Moslemism of the Indies was "a garment with holes" through which Hinduism and the other religions were visible, but this is now known to be untrue. The Moslemism of the Indies has a strong magical and pantheistic character for the reason that Moslemism spread to the Indies from India at a time when the prevailing influence among Moslems there was colored by these ideas. Most of the early Javanese religious teachers had received their training in Java and were the products of their environment, deeply influenced by the Javanese spirit and thought patterns, and with a turn for mysticism and magic. But the Moslemism of Java and Sumatra came increasingly under the influence of Meccan orthodoxy. Many religious teachers went to Mecca for their training and upon their return labored to purify the local Moslemism of all Javanese magic, mysticism, and antiquities.

² See *Djawa* (the journal of the Java Institute), February, 1933; *Drieërles visie op het Balische zendingsvraagstuk*, a brochure published by the Bali Institute, "Christelijke Actie of Bali," *Indisch Genootschap*, December, 1932, H. Kraemer, *De strijd over Bali en zending*, Amsterdam, 1933, and A. Vandenbosch, "Missions on the Island of Bali," *International Review of Missions*, April, 1934.

³ There was little scientific study of Moslemism before Snouck Hurgronje, the great Moslem scholar who came to the Indies about fifty years ago. A large number of scholars have continued the study of Moslem institutions so ably begun by this genius. The writer is much indebted to a paper by Ch. O. van der Plas, read before the *Indisch Genootschap*, February 16, 1934, on the subject of "Mededeelingen over de stroomingen in de Moslimsche gemeenschap in Nederlandsch Indië en de Nederlandsche Islam-politiek."

At the beginning of the present century a new movement came to the Indies from the outside—the Modernist movement from Egypt. This movement, a product of the last century, had its origin in the conclusion reached by certain Moslem thinkers that the retrogression of Islam since the glorious period of the Middle Ages was due to bondage to petrified law. The leaders of this school maintain that the original Islam was suitable for all times, that the Koran commands endeavors for advancement and the study of science and technique. They reject much of the teaching of later law scholars. The Modernist leaders go back to the original sources of the law in order to free it from false accretions and to apply the law to the needs of modern times. They oppose mysticism, which they regard as in conflict with sane intelligence and as a chief cause of the retrogression of Islam, and are strongly set against the veneration of saints, graves, and relics, and the deification of the Prophet. In contrast with the Wahhabis, the Modernists have a tendency to reject the division of Islam into the four orthodox schools of law and to plead for the one, indivisible Islam of the first, golden century. They emphasize that Islam is a religion for this world as well as for the next and that it forbids world flight. They deny that Islam engenders fanaticism or permits the spread of faith by force. The real war of Islam, they assert, is an inner struggle or war against evil passions and desires. The Modernists in the East Indies dispute the idea of the superiority of Arabians over all other races, a widely held idea which the numerous Arabians in the Indies were not slow to exploit to their profit.

Among the Minangkabauers of Sumatra, a devout Moslem community, Modernism quickly made much headway, but not without provoking an intense struggle with the older teachers. In the Arabian community the entrance of Modernism produced a violent controversy. Among the Javanese the struggle developed more slowly and relaxed earlier, owing to Javanese tolerance and objectivity and the personality of the foremost proponent of Modernism, a man respected by both followers and opponents for the nobility of his character.

As a reaction against the aggressive Christian missionary work in

the Native States of Central Java, there was organized in 1912 at Djokjakarta the society *Mohammadiyah*. This society, following the example of the Christian missions, adopted as its task the spread of educational facilities and the exhortation to purer and deeper faith and life. The society rapidly spread from the Native States of Java to the whole country and soon became a powerful force. A training school for religious teachers was set up at Djokjakarta and trained missionaries were sent out. Later, Mohammadiyah undertook to provide care for orphans, the poor, and the sick. The society, which with great earnestness labors to improve morals and to improve the position of women, within the framework of Islam, has a strong women's division. Its spokesmen take the position that the Koran permits polygamy only as an expedient against worse evil. Although the society was not meant to be a modernistic organization, its preaching and missionary work have nevertheless had a modernistic character. In conformity with the tolerant spirit of the Javanese, the society has laid greater emphasis on the things that unite rather than upon those which divide Moslems. Among the Minangkabauers, however, the preaching of Mohammadiyah in the early years was more militant and the struggle with the Modernists waxed bitter. But in the last decade the movement here too has taken on a more moderate character.

In the decade of the 'twenties there came to the Indies a new influence causing bitter controversy and division and producing important repercussions in the nationalist movement—propagandists of the Ahmadiyah movement, which had its origin in British India. The founder of the movement was Mirza Ghulam Ahmad (1839–1908), who declared himself to be a manifestation of both Jesus and Mohammed and a reincarnation of Krishna. This movement, like Mohammadiyah, carries on active missionary work and has had some success in winning adherents in Europe and America. The teaching of the movement drew bitter attacks from both Modernists and the old believers. Mohammadiyah excluded the adherents of this movement from its membership (1928), whereupon the leaders of the

movement organized the "Indonesian Ahmadiyah movement." As a result of the bitter fight the Moslem political party, *Sarekat Islam*, was much weakened and its influence began to wane.

A youth organization, the Young Moslem League, wields some influence. It had its origin in a separation in 1925 from Young Java, nationalistic but religiously neutral organization. The Young Moslem League is successful in drawing a following from all wings of Moslemism. It engages in religious work among students, seeking to preserve and strengthen the Moslem faith among them by convincing them that Moslem beliefs can be harmonized with science.

It was not until the arrival of Snouck Hurgronje, the great scholar of all things Moslem, that the Indies Government adopted a sound Moslem policy. Before Snouck Hurgronje it made many mistakes in dealing with Moslem problems, not out of a hostile spirit, but rather because of misinformation and lack of knowledge of Moslem institutions. An institution of great importance in aiding the Government in determining its Moslem policy is the Bureau for Native Affairs. Its director is the Governor General's adviser on all problems of native and Moslem policy. The Bureau is charged with the study of all movements in native society of a religious, political, or cultural character and with keeping informed on trends in the Moslem world. The Bureau has had distinguished Islamologists at its head. The Adviser on Native Affairs and his assistants are exceptionally well qualified for their work. They are generally selected from the staff of the Dutch Consulate at Djeddah, and members of this staff are in turn very carefully selected and trained. They are generally chosen from among promising young civil administrators who have spent some years in the field. Before taking up their work at Djeddah, they are sent to Leiden University for a year's special study in Arabian, Moslem law, and similar studies.

The Indies Government avers that it follows a policy of absolute neutrality with respect to religious matters, and this would be the judgment of most observers. However, a leading French student of colonial policy, Bousquet, concludes that the Dutch exaggerate their

policy of noninterference, that in fact the Indies Government supports the reformist party.⁴ He implies that the Dutch rulers support the Moslem reformists because at heart they are less anti-Dutch than the nationalists who claim to be religiously neutral. Bousquet criticizes this policy as blind and incomprehensible, since he believes that one party is as anti-Dutch as the other.⁵

With respect to the Mecca pilgrimages the Indies Government has had to cope with a major problem, and has very successfully solved it. As a combination of religion and tourism the pilgrimage to Mecca has an almost irresistible attraction for the Indies Moslem. Before 1825 the Indies Government did not interest itself in the pilgrimages, but because of tension among Moslems at that time, the Government passed regulations to discourage the pilgrimages. Hadjis were thought to be Moslem priests and generally fanatical and apt to incite the faithful to revolt against the government of the infidels. Passports and the payment of a tax of 110 florins were made a requirement for persons undertaking the pilgrimage. In 1852 this tax, the proceeds of which went to the mosques, was declared illegal by the Court of Cassation. The number of pilgrims thereupon increased rapidly; from 413 in 1852 to 3862 in 1858. At that time the pilgrimage often took three years and was accompanied by great hardship and even misery. In the pilgrimage of 1926-27, the largest on record, there were 52,412 Indonesian pilgrims. During the depression the number of pilgrims declined precipitately, dropping to 2260 for the 1932-33 pilgrimage. Since then the number has slowly but steadily risen. The Indies Government takes hygienic measures to protect the pilgrims against contagious diseases in Mecca by inoculations against cholera, typhoid, and dysentery, and exercises a careful control over their transportation. Upon their return they are quarantined for a period in order to protect the Indies from contagion. These regulations were nearly all incorporated in the International Sanitary Convention of 1926.

⁴ *La Politique musulmane et coloniale des Pays-Bas*, Paris, 1939. A translation of this work appeared in English in 1940 under the title, *Dutch Colonial Policy through French Eyes*, published under the auspices of the Secretariat, Institute of Pacific Relations.

⁵ See chap. xviii, "The National Awakening."

The general satisfaction of most of the devout Moslems with the policy of the Indies Government toward their religion has been a source of strength to Dutch rule. The frequently bitter attacks of the extreme nationalists against Moslemism as a cause of social backwardness has caused conservative and devout Moslems to come to the support of the Indies Government.

CHRISTIAN CHURCH AND GOVERNMENT

There exists a relationship between the Government and two Christian church bodies which would be singular anywhere today, but which is especially striking in a country so overwhelmingly non-Christian as the Dutch East Indies. The Government until 1935 controlled one of the church bodies and still subsidizes both. With the cultural awakening of the native people and the increasing consciousness of the Mohammedans this peculiar union of Christian Church and State in a Moslem country is daily growing more incongruous and embarrassing to the Government.

The present relationship can easily be explained historically. The Dutch Republic in its early years, like all governments of its day, regarded the promotion of Christianity and the regulation of religion as one of its duties, and in its Asiatic possessions this power was conferred upon the East Indian Company. The Company regarded the Church as merely a branch of its activities. The Governors treated ministers autocratically; on occasion a Governor would place an obstreperous minister in chains. On the other hand, the records do not indicate that the preachers were shining examples of industry or that they had a burning enthusiasm for their work. Dutch preachers did not care to go to the East Indies, and so the Company had to seek its ministers elsewhere. At one time all the preachers of Batavia were German. The Company paid them poorly and they were often compelled to eke out a living by engaging in trade. Until 1743 there was a ban against all religious bodies save the Reformed Church, but in this year a Lutheran Governor General secured freedom of worship for his fellow churchmen and a Lutheran minister was sent out at the

expense of the Company. During the period of the Company the Church enjoyed no autonomy whatsoever.

The East Indian Company was liquidated just before the Napoleonic Wars, but the State did not take actual control of affairs in the East until after the Treaty of Vienna and the elevation of the Prince of Orange as King of the Netherlands. One of the ideals of William I was the union of all his Protestant subjects in one church, after the model of the United Church in Prussia. His efforts to achieve this end failed in the Netherlands but were successful in the colonies. The bonds between the churches in the East Indies and the Reformed Church in the Netherlands were broken and a Commission for the Affairs of the Protestant Churches in Netherlands East and West Indies was permanently set up at The Hague in 1820. A royal decree of 1820 declared that all Protestant churches in the East Indies would henceforth be united under a common administration and the Minister of Colonies was charged with the task of drafting a plan of organization for the East Indian Church, subject to the approval of the Crown. This organization was tardily created by decrees of 1835 and 1840, and the actual union of all the Protestant churches was not consummated until 1854, when the Lutheran Church at Batavia was united with the Reformed Church. As compensation for the loss of their church identity the Lutherans received assurance that one of the ministers at Batavia would always be a Lutheran. The regulations of 1840 provided that all Protestants in the Indies would be regarded as members of the East Indian Church unless they expressly declared themselves unwilling to be so regarded. Until 1927 this was the only Protestant church recognized by the Government; all other church bodies received recognition only as ethical associations. Since 1927 all church bodies recognized as such by the Government in the Netherlands receive recognition almost automatically in the East Indies.

Until 1935 the ministers of the East Indian Church were appointed by the Crown, upon recommendation of a Church Commission at The Hague. When a vacancy occurred in the East Indian Church, the Minister of Colonies notified the Commission of this fact, where-

upon the Commission advertised for applicants and from the applicants selected a man for recommendation to the Minister of Colonies. The Minister, however, was not bound to appoint the Commission's candidate. The Minister's appointee was then sent to the East Indies and placed at the disposal of the Governor General, who had the power to place, transfer, and remove the ministers of the East Indian Church. Though he was required first to seek the advice of the Church Board at Batavia, he was not bound by it, and on occasion he ignored its recommendations.

The Central Church Board at Batavia, in turn, was not elected by the churches but was appointed by the Governor General. It was composed of the ministers at Batavia, some five or six in number, and five lay members of the Batavian Church, one of whom served as chairman. The Government regulations charged this Central Board with the care of the interests of Christianity in general and of the Protestant Church in the East Indies in particular, and the general supervision over the Protestant churches, their ministers and local consistories. Only the Board corresponded with the Government and all correspondence between the Board and the Hague commission was through the Governor General. All rules which the Board thought necessary had to be submitted to the Government for approval.

The Roman Catholics, under the Portuguese, had carried on an extensive missionary work and had taken many natives into the church. But with the Dutch conquest the Roman Catholic Church and its various organizations were banned. This exclusion lasted for two centuries, or until 1807. The present relationship between the Roman Catholic Church and the East Indian Government rests principally upon an agreement of 1847. Under this and later agreements the Roman Catholic Church obtained subsidies for the support of its personnel and public worship, but, unlike the Protestant Church, at the cost of very little freedom.

The population of the East Indies is overwhelmingly Moslem, yet the East Indian Government grants no direct subsidies to the Moslem worship. We had here the anomaly of two Christian churches in a

Moslem country singled out for subsidy, and, furthermore, one of these churches controlled by a Government which was itself steadily falling more and more under the control of a native, Moslem legislative majority. This state of affairs ran counter to all modern conceptions of the proper relationship between Church and State. Not only was it unfair to the natives, 97 per cent of whom are non-Christian, but it was also unfair to the independent Protestant churches which had been established in the Indies in the more recent decades. Nor was it beneficial to the East Indian Church, for its church life did not rest on a solid basis and little influence went out from it. The whole organization was artificially controlled and kept alive from above. The local church bodies manifested very little vitality, though this lethargic condition was in part to be ascribed to the East Indian social structure. The majority of the members are Eurasians, who are accustomed to look to the European officials for leadership in matters ecclesiastical as well as governmental, while the European members who furnish the leadership are mostly government officials and, because of frequent transferal, more or less transient.

The East Indian Church had no confessional standards and the church's lack of vitality was by some ascribed in large part to this fact. "What the East Indian Church won in breadth," so concluded a leading East Indian Church minister, "it lost in depth. By trying to embrace everybody who could be accounted a Protestant, no matter by what token, it included in its membership many who were religiously indifferent. By attempting to be something even for the most indifferent, it became too little for those church-loving natures who become zealous only where they find a dogmatic position after their taste and a church form in conformity with it. So the East Indian Church has become a body which with its present organization can with great difficulty be brought to a position of financial strength. . . . Church organizations artificially called to life, and forming a union of ill-assorted, often of divergent elements, cannot rely on the liberality of its members. Brought to life from without, they must also be maintained from without."

The East Indian Government has for some time wished to withdraw from this relationship, which is every day becoming more embarrassing. In the first Volksraad, opposition to continued state support of the Christian churches was expressed by an Indonesian member, and in 1919 the Volksraad passed a resolution, which had been introduced by an Indonesian member, in which the hope was expressed that the separation of Church and State might take place as quickly as possible. A similar motion was again passed by the Volksraad in August, 1932, by an almost unanimous vote. Only a few members of the Catholic Party voted against it. A commission to study the problem was appointed by the Minister of Colonies in 1910. This commission recommended a plan for the reorganization of the East Indian Church so as to give it greater autonomy, but the commission's proposal met with little favor from the Church. The Church Board, in its turn, issued a statement in 1920, in which it accepted the principle of separation, but subject to some sort of financial reparation. The two churches stand in a strong position over against the Government by virtue of Article 176 of the East Indian Government Act, which provides that no changes may be made in the existing organization and administration of the Christian church corporations without the mutual approval of the Crown and the administrations of the respective church bodies. In 1921 the Governor General appointed a commission to reexamine the question of the separation of Church and State and to devise specific proposals for it. This advisory commission, reporting in 1927, stated as its view that the relationship which had been forced upon the two churches could not now be terminated unilaterally by the Government to the injury of the churches. The majority of the commission recommended that the Government grant the two church bodies an endowment equal to the capitalized value of the subsidies received by the churches at the time of the separation.

An administrative separation was finally achieved in 1935, but the financial relationship continues. The new church, which bears the name of the Protestant Church in Netherlands Indies, is federative

in nature. The churches in the Minahasa and the Moluccas expressed a desire for a large measure of autonomy, and in addition to these two churches the Church of the Timor Archipelago may also receive an autonomous status within the larger Church. A general assembly of the federated Church meets every three years. The Government still pays the salaries of 43 European ministers, 31 assistant ministers, and 7 religious teachers, and 347 Indonesian ministers. Though these are not government officials, they are nevertheless, with respect to salaries, furloughs, and pensions, placed on the same footing as civil officials. The Government still retains a slight control over the organization of the Church. No regulations affecting its organization can go into effect until the Government has indicated that it has no objection to the proposed change.

The problems involved in the financial relationship still seem too great for solution. A complete and sudden cutting off of the Government subsidy would undoubtedly be a death sentence for many of the native congregations and even some of the churches in which Europeans predominate. It is not as if East Indian society were unable or unwilling to support a church, for the large number of vigorous Reformed Churches in the East Indies, which have never received Government support, prove the contrary. Loss of the subsidy, however, would in the end reinvigorate the East Indian Church.

Another great difficulty in giving autonomy to the East Indian Church is the question of whether or not the Church shall have a confession, and if a confession, what the contents of that confession shall be. This question is sure to cause no little trouble when the separation of Church and State finally takes place, for even among the ministers the theological views vary all the way from Unitarianism to orthodox Calvinism.

MISSIONS AND GOVERNMENT

Missionary work was from the beginning one of the activities of the Company. The Company ministers, besides preaching for the Company employees and their families, had also to labor among the Indonesians. The earlier colonial policy thus knew nothing of a neutral

attitude toward missionary activities. From this position the Government in the early part of the 19th century, after missionary activity had changed from a public to a private enterprise, swung over to the other extreme of leaning over backward in an effort to be neutral. Missionaries have complained that neutrality took on an aspect of cool, reserved, and sometimes even hostile indifference.⁶ The Government long hesitated to permit mission work in Java and it even impounded the first translation of the New Testament into Javanese in order to prevent its distribution. The Government apparently held the view that it had an obligation to protect Islam against foreign influences. Local government officials placed many obstacles in the way of the work of missionaries. When native Christians in the Minahasa were busy building churches, officials ordered them out on the roads at forced labor. Government bureaus were for many years open on Sunday and closed on Moslem and other non-Christian feast days. With the triumph of the coalition of the Christian parties in the Netherlands the official attitude began to change, although this change of attitude must not be ascribed wholly to this cause.

The frequently unhappy relations between missionaries and local officials are not to be ascribed solely to an excessive spirit of neutrality on the part of the officials. The difficulty lies deeper. Through years of sojourn in a particular community, missionaries acquire a thorough knowledge of the customs, social institutions, and thought patterns of its people. Only after missionaries have arrived at the motives and thought processes of the people can they hope to influence them and change their ideas. Officials are not in a position to make an equally intensive study of a people since they seldom remain long enough at one post and do not come in so close contact with the people. The missionary thus acquires a far greater authority with the people than does the official, though the latter is clothed with governmental authority. This situation sometimes leads to clashes between missionary

⁶ See Gunning, *Regeering en zending*, and Kraemer, "Kritische beschouwing van begrip en toepassing der neutraliteit in Godsdienst zaken in de overzeesche gewesten," *Indisch Genootschap*, 1929, pp. 65-81. Also see Crommelin, "Regeering en zending," *Koloniaal Tijdschrift*, XVII, 145 ff.

and official. It may be said in behalf of the official that while he is not in so good a position to judge many local situations, he does often have a wider general experience and a wider perspective and hence may pass a sounder judgment on certain situations and occurrences.

It may be noted here that the Netherlands and East Indian governments are deeply indebted to missionaries for great contributions to the scientific knowledge of the land and people. The work of men like Dr. Adrian, Dr. A. C. Kruyt, and others in such fields as language, customary law, and anthropology have been of inestimable value to the Government in governing the people and developing the land.

The mid-nineteenth-century attitude of the Dutch Government toward missions found concrete expression in Article 123 of the East Indian Government Act of 1855.⁷ Under the terms of this article no Christian minister, priest, or missionary may pursue his profession in any part of the East Indies without first obtaining a special permission to do so from the Governor General. Moreover, "whenever the permission is found harmful, or its conditions not adhered to, the permission may be revoked by the Governor General." Aside from a lack of sympathy for missionary work the Government was motivated by a fear of arousing Moslem fanaticism. In spite of the changed attitude of the Government this article was not dropped from the Act in the Revision of 1922, for the reason that the East Indian Government still finds it necessary to exclude missionary work in certain sections, as in Atjeh (northern Sumatra) and Bantam (West Java), because of frequent unrest.⁸ The East Indian Government has found the power granted it under this article convenient for the purpose of preventing baneful and unseemly sectarian competition. Until 1928 the Government kept the Roman Catholics and Protestants, and even the different Protestant sects, apart by assigning them separate fields. This regulation was never satisfactory to the Roman Catholics, probably for the reason that their work was really not very extensive until

⁷ This article was retained unaltered in the revision of 1922 as Article 177

⁸ A late Governor General apparently also promised the Balinese that he would protect their native cultural and religious society from foreign influences

after 1905, and by that time the Protestants had very nearly occupied all the strategic points in the East Indies. The rule was repealed in 1928, and now all of the East Indies is equally open to all missions. The only question the Government now raises when permission to engage in missionary work in any section is sought is whether the undertaking will cause political unrest.

Until 1890 the mission schools were excluded from all Government subsidy and there was much harmful competition between Government and mission schools. In this year the original provision that subsidized schools could give no religious instruction was repealed. However, under a law passed in 1915, schools receiving subsidies under it must leave attendance upon classes in religious education optional with the parents of the child. With the aid of the Government subsidies the mission schools have greatly increased in number since 1895. Twenty per cent of the pupils in the East Indies now are in private schools, and though this includes children attending neutral and Moslem schools, a large majority of these pupils are found in mission schools. The task of education is too great for the Government alone, and therefore it welcomes aid from private sources. By subsidizing private schools the Government is able to make education more extensive than it otherwise could. Very nearly all the schools in New Guinea, central Celebes, and the central sections of Borneo are mission schools. But the system of subsidies is not without its drawbacks and some missionaries are beginning to see distinct disadvantages in it. To obtain the subsidy the schools must to a considerable degree follow the public school system and course of study. The subsidized school in this way loses much of its freedom in initiating new methods and courses of study.

The future of the subsidy can only be a matter of conjecture. The plans for the decentralization process now being launched call for the transfer of education in the local governmental units. In the councils of these local units the Indonesians do and will have a majority from the outset. This increasing Indonesian participation in the Government, even in the Central Government, which is hailed by nearly all

missionaries with satisfaction, may bring in its train a reduction, even an abolition, of the subsidy. At the present time many outstanding Javanese political leaders send their children to the Christian mission schools in preference to the Government schools. One reason for this is that mission schools have acquired the reputation of being better than the Government schools. Mission school teachers are much more permanent; they often stay in one school as long as twenty years. Government teachers, on the other hand, are constantly on the lookout for a transfer to a better place, hoping ultimately to land in a city with a large European population. Another reason for the popularity of the mission schools with the native leaders is just the fact that they give religious instruction. The Indonesians are deeply religious and many prefer Christian to neutral public school instruction.

A unique institution in the Dutch East Indies is the Missions Consulate. The Government found its relations with the Roman Catholic missionaries convenient because of their unified control. It could deal with the Bishop with respect to all matters which might arise. It therefore asked the various Protestant missions for a similar arrangement—for the creation of a central authority through which it could deal. Very nearly all the Protestant missions operating in the East Indies united in the establishment of the Consulate, which was opened at Batavia in 1906, with Dr. C. W. Th. Baron van Boetzelaer van Dubeldam as Consul.

The chief and original function of the Consulate is to serve as the intermediary between the Protestant missions and the Government, and to serve as the adviser to the Governor General and the Government with respect to all mission matters. All requests and complaints go to the Government through the Consulate. Although the mission boards and missionaries are not under compulsion to use the Consul as an intermediary, they have learned that they might as well go to the Consul in the first instance, since the Government takes up all such matters with him before taking action. The Mission Consulate also serves as an intermediary between the missionaries on the field and the home societies, as a central clearing house for the various mis-

sion societies, and as an agency through which they can integrate their work, and lastly as a point of contact with international missionary conferences and foreign mission bodies. Both Government and missions have learned to like this arrangement and the Consulate has more than fulfilled its promise.

The number of Indonesian Christians is approaching the two million mark. The people on Ambon and some of the neighboring islands of the Molucca group have been Christians for centuries—from the early days of Portuguese and Dutch occupation. A second large Christian center is the Minahasa or northern Celebes, whose people began to turn to Christianity *en masse* about eighty years ago. A more recent and even larger accession to Christianity is to be found in the Batak-lands of Sumatra, the field of the Rhenish Mission. The number of Christians in Sumatra now numbers over half a million and in Celebes there are likewise over half a million. Though the number of converts in Java is small, especially in view of the years of missionary work there, it is nevertheless the only successful Christian missionary work among Mohammedans to be found anywhere in the world. The Javanese Christians number about 100,000.

Lastly, the question of the attitude of the missionaries toward the growing nationalist movement must be briefly discussed. In certain quarters the missionary is still regarded as either the pawn or the agent of imperialism, or both. But during the last decades another note has been heard. Many now regard the missionary as the friend of the nationalist movement, even to the point of giving it active encouragement. Missionaries are now being attacked because of the allegation that they are making common cause with the nationalist movement. It may be a case of the missionaries leaning over backward for the purpose of gaining the good will of the people among whom they work and of warding off all suspicion of being a tool of the Western capitalist nations. But it must not be forgotten that Christian missions involve the largest possible identification of the missionary with the people among whom he has come to live, and that he must necessarily be interested in their development. He cannot then very well be ex-

pected to do otherwise than rejoice at the social, economic, and political development of his adopted people. The present-day missionary is more likely to be uncritical than unsympathetic.

Several of the political parties in the Netherlands have long carried planks in their platforms advocating Government encouragement and support of Christian missions in the dependencies. With the growth of the nationalist movement these party declarations have become embarrassing to the missionaries, especially since these so-called clerical parties have been in control of the States General much of the time since 1918. Leading missionaries have pleaded for the elimination of these planks from the party platforms, as they prove harmful to missionary work. By and large the missionaries in the East Indies, especially those of Dutch nationality, stand very independently over against the Government and against the European population. Their leaders are known to be very sympathetic with the nationalist movement and have the confidence of the young intellectuals. This was especially true of Dr. H. Kraemer, who until recently was a missionary in Java but is now a professor in the theological faculty of Leiden University. His influence among the Indonesian intelligentsia was truly remarkable.

Chapter IV

DUTCH COLONIAL POLICY

WHEN IN 1585 Philip II closed the harbors of Spain and Portugal to the commerce of the Dutch revolutionists, the Dutch found themselves excluded from the enjoyment of the rich trade between the Spanish ports in the south and north of Europe. Spices and other products of the East Indian archipelago formed a large part of that trade. Rather than lose the profitable business as distributors of East Indian products in northern Europe the Dutch decided to engage directly in the East Indian trade, and thus obtain even greater profits. A beginning was made in 1595 and during the next seven years 60 ships, in 14 different expeditions, fitted out by as many different companies, set out for the East Indies. These years mark the period of the so-called "wild trading." The deadly competition between the Dutch traders quickly forced prices up in the East and drove them down in the market at home.

THE EAST INDIAN COMPANY, 1602-1798

The disadvantages of this unrestricted competition, together with the fact that the Dutch Republic was not able to protect this trade in distant waters, led the States General in 1602 to incorporate the East Indian traders in the United East Indian Company, and confer upon it divers rights of monopoly and sovereignty. The Company was given a monopoly of shipping and trade, to the exclusion of all other Netherlands, east of the Cape of Good Hope and west of the Straits of Magellan, and the power to perform acts of sovereignty in the name of the States General, such as making alliances and contracts with princes and potentates of the East. The Republic retained only a right of control.¹

¹ For a good history of the East Indian Company see Day, *The Dutch in Java*, Colijn en Stibbe, *Neerlands Indie*, I, 271-349, article, "Oost-Indisch Compagnie," *Encyclopaedie van Nederlandsch-Indie*, hereafter referred to as *Encyclopaedie*, and de Klerck, *History of the Netherlands East Indies*, 2 vols, 1938.

The Company shifted involuntarily from a commercial to a territorial and political basis, as it discovered that it could not trade unless it also governed. While the charter gave it a monopoly against all Netherlanders, the Company still had to compete with other European traders.² The first move was naturally to take the possessions—factories, forts, etc.—from their rivals, the Portuguese and the Spaniards. But even this was not enough to insure a profitable trade. A state of chronic warfare among the native peoples and the devious ways of the native sovereigns led to constantly deeper penetration. They could not deal satisfactorily with individual traders, and so began to deal with governments. "They were forced," writes Day, "before they knew it, to become politicians, seeking their commercial ends through diplomatic channels, and warriors, upholding the gains that had been given them by the treaty."³

However, it must not be assumed that the company ever completely shifted to a territorial system. "During three quarters of the period of the company," states van Vollenhoven, "the Government at Batavia had stood at the head not of a territory, but of a series of scattered establishments stretching from Japan through the archipelago and India proper to Cape Town; although since the days of van Imhoff (1743-1750) the mercantile system had been more and more replaced by a territorial system, yet the greater part of the East was not yet under Dutch rule, which was confined to the administration of scattered establishments and forts and a dominant influence over certain Oriental kingdoms."⁴ The secret of the success of a small nation controlling this vast area is to be found in several factors. Political power in the archipelago was scattered over a large number of small

² "In the independent states the Dutch had to submit to trade side by side with European competitors, or be excluded entirely in favor of their rivals. A favorite device of the native sovereigns to punish the Dutch for any offence and to bring them to terms, was an embargo that closed their dominions to all trade. At best the Dutch had to pay high prices for the most valued products, the sale of which was monopolized by the native governments, and had again to pay high duties at the frontiers. Every extension of the political influence of the Dutch was accompanied by the grant of commercial privileges: the exclusion of competing traders, the settlement of low custom and transit duties, and the promise of native princes that commercial products should be sold to the Dutch at the market price or even below it." Day, *op cit.*, p. 45.

³ *Ibid.*, pp. 45-46. ⁴ *Koloniale Tijdschrift*, March, 1928, p. 117.

kingdoms, none of any great inner stability, with little mutual contact, and that often of a hostile nature. The small but powerfully concentrated Dutch strength was quickly able to master the lines of water communications, thus cutting off coöperation between the kingdoms on the various islands. Moreover, communication for any distance by land was also impossible for lack of roads. The prohibition of free trade and free communication prolonged the isolation and intensified the weakness of the Indonesian peoples.

Reckless financial administration at home, penurious treatment of its servants in the East, and the breakdown of the commercial monopoly finally led to the fall of the Company. Illicit trade with Arabians and the English was so brisk in the latter part of the 18th century that more linen of foreign than of Dutch origin was sold in Batavia. The salaries paid to its personnel were so slight that the Company failed to attract able and honest people to its service. This had the effect both of woefully lowering the standards of administration and of inducing the officials to supplement their meager salaries by dishonest practices. Nowhere was smuggling carried on on a larger scale than in the Company's own ships. The financial administration was equally bad. Large dividends were regularly paid out whether earned or not. Toward the end of the 18th century the Company collapsed; its charter was nullified in 1798 to take effect January 1, 1800. The Republic took over both its assets and its liabilities.

TRANSITION AND THE BRITISH INTERREGNUM, 1798-1816

The East Indies came under direct government control when French revolutionary ideas were abroad and after the old Dutch Republic had given way to the Batavian Republic (1795-1806). Dirk van Hogendorp, who had spent seventeen years in the service of the East Indian Company, had rendered great service in exposing the corruption and abuses of the Company and had carried on a campaign for reforms. In 1807 the Government instituted a commission to serve it with advice concerning "the basis and the manner in which trade in the country's possessions in the East Indies should be carried on and

these possessions governed, in a manner such as would produce the greatest welfare for the East Indies, the highest profits for the commerce of the Republic and the greatest advantages for the country's finances." Upon this commission of seven members the two leading members were of diametrically opposed views. These two men were van Hogendorp and Nederburgh, the latter a former attorney for the Company and a former Commissioner General. The Commission's report is generally said to be a compromise between the views of these two men, but in reality it represented a good deal of a triumph for Nederburgh. There was no sharp break with the company system; indeed, nearly all the old institutions, such as forced labor, deliveries in kind, feudalism, and monopolies in certain products, were retained. The old idea that colonies existed for the benefit of the mother country was still predominant. The charter which the Commission had drawn up and which with slight changes had gone into force in 1804 was again withdrawn a year later. However, the charter exercised a great influence upon later organic acts.

Brief mention should be made of Governor General Daendels (1808-1811). A Dutch revolutionary patriot and later a general under Napoleon, he was sent to the East Indies by Louis Bonaparte, then King of Holland, upon the recommendation of his brother Napoleon. Daendels was chosen for his organizing and military ability, for an attack by the English was momentarily expected. Daendels not only did what he could to prepare Java for defense, but also instituted a number of important reforms. The compulsory cultivation of a few products, in which the returns to the Government were not proportionate, was abandoned. He attempted, though not very successfully, to remove the evils and abuses from the system of forced cultivation and delivery of products. Forced labor was increased rather than diminished, especially that for the construction and maintenance of public roads and bridges. However, he did put an end to the excessive amount of obligatory personal services of natives for European officials and limited those which might be demanded by the regents. The powers of the native chiefs were reduced and the emoluments

of the European officials abolished. The powers of the Native States in Bantam, Cheribon, and central Java were also sharply pruned. "The administration of Daendels," says de Kat Angelino, "effected a transformation, with roughness, of a commercial and loose organization into a centralized state authority supported by a disciplined Dutch and Javanese administrative body. Otherwise it dovetailed into the era of the Company in a way which one would not suspect."⁵

After the English conquest the former Dutch possessions in the East were placed under the chief direction of the Governor General of India, then Lord Minto, while "Java and its dependencies" were placed under Raffles as Lieutenant Governor. The latter won a place in history as one of the greatest of British proconsuls and his administration marks a heroic period in the political history of the Dutch East Indies.⁶ Raffles abolished the system of contingents and compulsory deliveries in kind throughout nearly all of Java. As Muntinghe his trusted Dutch adviser put it, he shifted from a system of trade to a system of taxation. Strictly speaking, it was not a system of taxation Raffles proceeded from the Eastern position that all land belonged to the ruler, and that the occupiers, or tenants of the sovereign-owner, had to pay land rent.⁷ This rent he fixed at two-fifths of the harvest, which share could be paid either in money or products. The actual change was not so great as might be expected. Day states that "there were true taxes, however, under the old system, both direct and indirect. The Company's rice contingent was as much deserving of the name of a tax as Raffles' land-rent, which could be paid in the same staple of consumption. The great and only contrast between these revenue

⁵ *Colonial Policy*, II, 26

⁶ The reform administration of Raffles has the effect of placing the Dutch in an unfair light. Daendels had paved the way for Raffles, and the way for Daendels had been prepared by the liberal tendencies of the age and the criticisms of the age and plans for corrections which had filled the air for some time previous. The reaction of the "culture" system after 1830 makes the British period stand out even more favorably. See de Kat Angelino, *op. cit.*, II, 27.

⁷ De Kat Angelino concludes that Raffles did not altogether correctly understand the situation, and that he went off at a false angle in demanding land rent. "If he had demanded the payment of a reasonable share of the harvest to the government as a tribute, he would have been nearer to a true understanding of the problem, and a better transition to modern taxation would have been achieved." *Ibid*, II, 29

measures of the old system and the ones proposed by Raffles was the difference in administration, by which the whole process of assessment and collection was to be brought under the control of European ideas of honesty, economy, and justice."⁸

Raffles felt a strong aversion to anything which savored of feudalism and he made strenuous efforts to remove it from the governmental system. The powers of the semifeudal regents were diminished and the contact between the European officials and the native population pushed lower down. The European administrative structure was made to rest directly upon the villages, which Raffles considered the only living indigenous units. He systematized the police system and made important reforms in the judicial organization. He abolished the sultanates of Cheribon and Bantam and placed the territories under direct government. The Native States of Djokjakarta and Surakarta saw their territory diminished and their powers further restricted. Some of Raffles' reforms were of lasting value and left a permanent mark, but others of his innovations he had to abandon. The weight of tradition and the resistance of native social institutions were gradually defeating his reforms and forcing him back to the old policies of the Company.⁹

RESTORATION AND THE NET-PROFIT POLICY, 1816-1877

The Treaty of London of August 13, 1814, provided for the return of the East Indies to the Netherlands. Owing to the return of Napoleon from Elba it was two years before the actual transfer was made. The Government of the new Kingdom of the Netherlands sent out three Commissioners General to take over the possessions from England, to reorganize the administrative system, and to draw up a new organic law. This work was completed by the end of 1818, when the government was turned over to the new Governor General, assisted by the Council of the East Indies.

Outside of Java, Madura, and the Moluccas, Dutch control was only nominal. And even in Java the Dutch administration was lim-

⁸ *Op. cit.*, p. 181

⁹ De Kat Angelino, *op. cit.*, II, 33

ited, as much of Java was still under native rule and other sections, such as Madura, had not yet been deeply penetrated by Dutch administration. In 1819 the Dutch were in effective occupation of only a few small areas in the Outer Territories: Padang and Palembang in Sumatra, Pontianak, Sambas, and Bandjermasin in Borneo, Makassar in south and the Minahasa in north Celebes, and the Moluccas, the old center of Company activity. The Dutch colonial empire in the East Indies is very largely the work of the last century, and much of it the work of the last forty years. For a large part of the 19th century Dutch policy was dominated by intense exploitation of Java and absolute abstention in the Outer Territories with the exception of Sumatra. The development of the other islands would have required the expenditure of some money, but this could be found only by deducting it from the surpluses which were being sent to the mother country. It was therefore not done. And when the surpluses disappeared in the 'seventies and the favorable-balance policy was given up, the Achehese War broke out, demanding all the energy and the resources of the East Indian Government, and in turn delaying for many years the effective occupation and administrative penetration of other parts of the Outer Territories.¹⁰

The Commissioners General, 1816-1819, had encouraged the opening of the East Indies to European planters and industry, "and the prospects of industrial progress on the new lines seemed bright." But Governor General van der Capellen failed to follow the liberal policy laid down by the Commissioners, and his reactionary policy of suppressing Western enterprise is largely responsible for the return to old methods which shortly took place. The King, whose control over the East Indian Government was unrestricted, apparently had not yet definitely decided which of the two opposing systems, forced or free cultures, he would pursue. In 1825 the King sent de Bus de Ghisignies as Commissioner General with a mandate to institute economies and to investigate anew the question of the advantages of the two systems. The results of his investigations were incorporated in a report of May

¹⁰ See Colijn en Subbe, *Neerlands Indië*, II, 1 ff., and Kielstra en Krom, *Neerlands Indië*, I, 349 ff.

1, 1827, in which he recommended the development of the country by calling in private initiative and capital. This report was at first favorably received, but very soon thrown aside for other advice. Fiscal affairs had taken a turn which called for a definite policy either way, and it was just at this time that a man who had the King's confidence won the King to a return to old practices. The East Indian Government had been running deficits since 1820, and after 1825 these deficits increased, owing to the outbreak of the war with the Sultan of Djokjakarta. By 1830 the East Indian debt had mounted to 30,000,000 florins, with an annual interest charge of over 2,000,000 florins, both secured by the home Government. The King himself had lost heavily in the *Nederlandsche Handelsmaatschappij* (Dutch Trading Company) and the mother country itself was in no condition to continue to carry the colonial deficits much longer. This momentary fiscal difficulty led the King to abandon liberal principles and to go over to the plan proposed by van den Bosch.

Day summarizes van den Bosch's plan of a forced culture system as follows:

Instead of paying to the government a certain proportion of their crops, the natives were to put at its disposal a certain proportion of their land and labor-time. The revenue would then not consist in rice, which was almost universally cultivated and which was of comparatively little value to the government, but in export products grown under the direction of the government contractors on the land set free by the remission of the former tax. According to the estimate, the natives would give up only one-fifth of their time in place of two-fifths of their main crop. The government proposed to bear the loss from failure of crops if this was not directly due to the fault of the cultivators, and moreover promised to pay the natives a certain small price for such amounts as they furnished. The government proposed in this way to secure products suited for export to the European market, on which it expected to realize profits largely in excess of the prices paid to the natives and contractors, and of the costs of administration. To the natives it promised increased prosperity and a lighter burden of taxation, as a result of fuller utilization of their chances under the farsighted management of Europeans ¹¹

¹¹ *Op. cit.*, pp. 249-250 Day gives one of the best treatments of the culture system Dutch authorities unite in praising it highly as a fair and excellent study

From a fiscal point of view the plan very nearly lived up to the promises of its originator. It has been estimated that from the beginning to 1877, the last year of net profits from the Indies, the system had poured approximately 832,000,000 florins into the Dutch treasury.¹² The war with Belgium was exhausting the finances of the Netherlands, and the Dutch Government between 1836 and 1838 contracted debts of 236,000,000 florins, with the East Indian revenues as security. Reliance upon the favorable balances of the Indies became a habit, and the practice was continued long after the improved finances of the mother country made reliance upon it unnecessary. Whatever the philanthropic professions of van den Bosch, his plan, in practice, developed all sorts of abuses.¹³ The Javanese were allowed too little time for their own crops, nor were they paid a fair wage in producing crops for the government. The welfare of the natives was utterly neglected, the soil was often exhausted, and the officials corrupted by their enlistment in the enterprise of producing revenues out of Java and the Javanese for the metropolitan country. The native social and economic organization deteriorated. The culture system strove to unite all the producing forces of the East Indies in the hands of the Government; private enterprise was discouraged, as it would tend to drive up wages and depress prices. The Government would brook no competition in the exploitation of the colony and its people.

The movement for reform began after 1848. Famine in two sections caused the Government to institute reforms on its own initiative. Also about this time facts about the true situation became known in Holland, where the public had been kept in ignorance of the state of affairs. The King had been in supreme control of colonial policy and hence colonial questions were seldom discussed in Parliament. News and reports from the Indies were strongly colored by a strict govern-

¹² Hasselman in Colijn en Stibbe, *op cit*, II, 27. Of this sum 236,000,000 florins were used to reduce the Netherlands public debt, 153,000,000 florins for the construction of railways in the Netherlands, 115,000,000 florins for tax reduction, 146,000,000 florins for fortifications and other purposes.

¹³ Day states that "all of the features in the original plan which interfered with the yield of revenue were given up almost from the start." *Op. cit.*, p. 257.

ment censorship. The constitutional revision of 1848 gave the States General some control of colonial affairs and required that the colonial organic act should in the future be drafted by the legislature. In the deliberations leading up to the passage of the East Indian Government Act of 1854 a small but powerful minority in the Second Chamber pressed for the abandonment of the policy of exploitation. This minority was led by Dr. W. R. Baron van Hoevell, a former preacher at Batavia, who boldly and eloquently laid bare to the Dutch public the true conditions.¹⁴ Thanks to this small minority new principles of colonial policy were forced upon the Government, to be incorporated into the East Indian Government Act alongside of the old policy of net profit.¹⁵ In the mind of the Government the idea of "net profit" was still uppermost, and the rights and welfare of the natives held only a secondary place. While calling for greater freedom of the press, the abolition of slavery, the promotion of native education, protection of the natives against the evils of forced labor, and the lease of uncultivated land to individuals, the provisions of the new act were in general vague, reflecting its compromise character, and each group interpreted them according to its own views.¹⁶ The constitutional act left the fate of the forced-culture system for future settlement. There was

¹⁴ Van Hoevell had been a preacher in the East Indies for ten years and pressed for reforms even while there. He desired secondary and higher schools in the East Indies, as well as a training school for officials. In 1848 he led a movement which petitioned for a free press and representation in the States General. Because of these activities he was practically forced to resign his position and return to Holland, where he ran for the Second Chamber, of which he was a member from 1849 to 1862. He attacked the abuses of the culture system and demanded that the first consideration of colonial policy should be not how much the metropolitan country could get out of the East Indies, but how much it could do to raise the material and intellectual interests of the colony. Odd as it may seem, van Hoevell did not desire the complete abolition of forced cultures.

¹⁵ In a memorandum of explanation issued at the time of the first bill for a new organic act in 1854, the Government declared the accepted principles of East Indian administration to be those which "gave the greatest guarantees that in the first place the Netherlands authority shall be able to maintain itself in that conquered territory by pacific means, and that secondly, preserving the welfare of the native population, that conquered territory shall continue to furnish the Netherlands the material advantages which were the object of the conquest." Quoted by Colijn, *Staatkundige hervormingen in Nederlandsch-Indië*, p. 12.

¹⁶ According to Kleintjes (*Staatsinstellingen van Nederlandsch-Indië*, I, 21), this was the great merit of the constitutional act. Its vagueness made it supple and gave the Crown and Governor General a welcome freedom of action.

not yet a definite public opinion on the issue. Three ideas and interests were struggling for mastery: the fiscal interests of the home treasury, protection of the natives, and the interests of private initiative and capital in seeking an outlet in the East Indies. Nevertheless, the East Indian Government Act of 1854 became the historical basis for the "ethical school" in colonial politics.

It remained for a lone literary figure, a resigned colonial official, in a critical moment, to arouse the Dutch public to demand reform. *Max Havelaar*, written by E. D. Dekker under the pseudonym of Multatuli, takes its place in history as among the small number of books which have galvanized the public to action on a great issue, and in this respect is most often compared to *Uncle Tom's Cabin*. The parliamentary battle was waged throughout the 'sixties. A parliamentary resolution in 1868 on a colonial question at last definitely settled the responsibility of the ministers to Parliament and not to the King. In 1864 the East Indian Auditing Act was passed and after 1867 the East Indian budget came under the annual scrutiny of Parliament, and with it the whole East Indian administration. With the Agrarian Law of 1870 the fight against the forced-culture system was won. Government cultivation of products other than sugar and coffee had already been abandoned before 1870, since most of them had been unprofitable. The abandonment of the sugar culture was decided upon in principle in 1870 and completely effected by 1890. The compulsory cultivation of coffee remained until 1915. The coffee culture was regarded as the cork upon which the East Indian finances floated, and since the Government coffee was grown upon reclaimed virgin land, it was much less objectionable than the other forced cultures.¹⁷ The steady decline in the yield of the coffee culture finally led to its abolition in 1915, and with it the last vestige of the culture system. The net-profit policy continued some years after 1870; East

¹⁷ In 1884 the liberal former Minister of Colonies Fransen van de Putte, father of the Agrarian Law of 1870, made the following statement in the Second Chamber: "The government coffee culture is hard to justify in principle, but no one who is sensible will touch it, for the reason that it is impossible at the moment to devise a tax which would approach the yield of the coffee culture and would not lay much heavier burdens upon the people." Quoted in Colijn en Stibbe, *op cit.*, II, 29.

Indian surpluses for the benefit of the Netherlands treasury died a natural death in 1877. Their public obsequies were announced in Parliament the following year when a leading member declared, "Salute them, gentlemen, you will see them no more."

It is evident that the forces which finally led to the abandonment of the culture system and the favorable balance or net-profit policy were not altogether spiritual. The rising bourgeoisie after 1800 had merely demanded that the exploitation of the colonies in the interest of an oligarchy give way to exploitation in the general interests of the nation. State exploitation had kept private Dutch capital from entering the East Indies, but the time came when private capital and initiative could no longer be barred. The constitutional revision of 1848 gave the bourgeoisie control of the Government. After this date the idea that greater profits would flow to the Netherlands by means of private exploitation than by a system of Government exploitation rapidly gained ground. A colony in which free labor flourished, it was thought, would also be a better market for goods.¹⁸ Improvement of the Netherlands Government finances made the abolition of forced cultures easier, after the unprofitable ones had already been discarded. The net-profit system was never explicitly abandoned; the surpluses merely withered away through increased expenditures of the East Indian Government.¹⁹

PRIVATE EXPLOITATION AND THE IMPROVEMENT OF THE MATERIAL WELFARE OF THE NATIVES, 1877-1900

The shift toward a more liberal policy began in 1851, with the appointment of Duymaer van Twist as Governor General. He was the first Governor General of liberal tendencies since de Bus de Ghisignies. Toward the end of his administration the policy of leasing wild lands to Europeans was begun. The deliberations and the vote on the Constitutional Act of 1854 had revealed the presence of a fighting liberal minority. Besides van Hoevell this group included Thorbecke, the

¹⁸ Colenbrander, *Nederland's betrekking tot Indie in verleden en toekomst*

¹⁹ In large part caused by the costs of waging the Achehnese War.

great leader of the Liberal Party, and Groen van Prinsterer, the leader of a small but rapidly growing Christian party which had adopted the name of *Antirevolutionnaire*. The victories of the new liberal spirit have already been traced to 1877. The East Indies were now thrown open to private exploitation, with the Government increasingly coming forward as arbiter and protector of the natives. The new policy at first seemed disadvantageous to the East Indian treasury, but this difficulty was gradually overcome as a taxation system in harmony with the new conditions was developed.

Numerous reforms of a minor character were made during these years. A beginning was made in 1882 with the gradual reduction and transformation of the *heerendiensten*, or the tax in labor, into a money tax. The tax system was reorganized. An average of 6,500,000 florins was spent annually on the development of railroads throughout this period. Though the war with Aceh was consuming millions, expenditures for education were considerably increased and important irrigation projects undertaken.

ETHICAL POLICY; INDONESIAN PARTICIPATION IN GOVERNMENT

The "ethical" policy is generally dated from 1901, with the advent to power of the Kuyper ministry, representing a coalition of Christian parties.²⁰ The founder of the *Antirevolutionnaire* Party, Groen van Prinsterer, stood with the minority of liberals at the time of the passage of the East Indian Constitutional Act of 1854, and Kuyper, who succeeded him as leader of the party, had long denounced the policy of exploitation and had pleaded for a policy of moral obligation and preparation for self-government. The rise of the Socialist Party in the 'nineties and the work of leading liberals such as van der Lith, van Kol, and van Deventer had helped to prepare the way for a new emphasis upon the welfare of the colonies.

²⁰ The last decade had seen a realignment of Dutch politics and parties along religious lines. The Christian or clerical coalition is composed of three parties: the Catholic Party, the Christian Historical Union, and the *Antirevolutionnaire* Party. The Christian Historical Union split off from the *Antirevolutionnaire* Party in the 'nineties. Government subsidy for private schools was the chief though not the only issue holding the coalition together.

In the speech from the throne in 1901 there occurred the following significant passage: "As a Christian Power the Netherlands is obligated in the East Indian archipelago to regulate better the legal position of native Christians, to lend support on a firm basis to Christian missions, and to imbue the whole conduct of government with the consciousness that the Netherlands has a moral duty to fulfill with respect to the people of these regions. In connection with this the diminished welfare of the population of Java merits special attention. I desire to institute an investigation into the causes of this."

The reference to the diminished welfare of Java was occasioned by a food scarcity in the residency of Semarang in 1899 and 1900, which was regarded by many as an evidence of general economic decline in Java. The Welfare Investigation Commission, instituted in 1902, was dissolved twelve years later, after having produced a long series of monographs on the economic life of Java and Madura. The survey was of great scientific and historical value and exercised a tremendous influence for good, though the findings of the Commission did not reveal a general decline in welfare. It was at this time, when the country was under the impression of a declining welfare in Java and under the influence of van Deventer's powerful plea²¹ for a restitution to the East Indies of some of the millions which the Netherlands had extracted from it during the years of the net-profit policy, that the Netherlands Government made a direct contribution to the East Indian Government. By a law of March 18, 1905, a 40,000,000-florin advance from the Netherlands treasury to the East Indian Government was written off, under the provision that a like sum was to be spent by the East Indian Government over the course of the next fifteen years for the improvement of economic conditions in Java and Madura. This was the first direct contribution which the Netherlands

²¹ "Een eereschuld [A Debt of Honor]," *De Gids*, August, 1899. In this famous article van Deventer set forth the needs of the East Indies, the urgent need for more education, and numerous measures for the economic development of the islands. He recognized that the East Indian finances could not bear the increased outlays at the time. But, said he, when these needs might have been met out of the East Indian finances, the surplus millions had been sent to the Netherlands treasury. The Netherlands was in honor bound to restore those sums, at least in principle.

made to the East Indies. A second contribution, one of 25,000,000 florins, was made in 1936 as compensation to the Indies for the sacrifice involved in reserving part of its market for the Netherlands during the depression.

The turn of the century also saw a change in the policy with respect to the Outer Islands. The "abstention" or "nonpenetration" policy was abandoned. Several factors influenced this change of policy. The East Coast of Sumatra had become the center of a prosperous European agricultural industry and the planters were demanding a more effective administration. Fear of foreign intervention also prevailed at this time. The Dutch Government and public opinion had become uneasy over the fierce outbreak of economic imperialism in the Far East. Finally, the "ethical" policy itself brought a natural intensification of administration throughout the islands. Between 1900 and 1912 Dutch authority was effectively established over most of the Outer Territories. Several native states, either because of continued resistance to Dutch authority or because of maladministration, were incorporated with the directly governed territory. General van Heutsz, who had successfully prosecuted the war against Aceh, continued and virtually completed the task of pacification of the Outer Territories as Governor General from 1904 to 1909.²² By the Decentralization Law of 1903 a first step was taken in unburdening the Central Government of some of the overwhelming tasks which the extension and intensification of administration was heaping upon it. The same law provided also for a slight measure of democratization. In 1912 the East Indian Government was given juridical personality and the finances of the mother country and the dependency were sharply separated. Education was rapidly extended and measures for the promotion of the economic development of the Indonesians introduced.

Beginning with the services in 1891 of C. Snouck Hurgronje, the Netherlands and East Indian governments have had at their disposal

²² The administrative penetration of New Guinea remained slight until only a few years ago.

and utilized an increasing number of experts in Moslem and Indonesian social institutions. With the aid of Snouck Hurgronje's profound knowledge of native society and psychology the pacification of the Achehnese was at last accomplished. The "ethical" policy, the emphasis of the Christian coalition upon the support of Christian missions, and the administrative penetration in the Outer Islands were forces that might easily have led to the adoption of a policy of assimilation. Thanks to the newer scientific knowledge of native society this did not occur. The unique work of Professor van Vollenhoven in the preservation and scientific study of native customary law is discussed elsewhere.²³ He likewise exercised a healthy influence in his advocacy of the preservation and restoration of native juridical communities and a decentralization upon this basis. The wisdom of building upon the basis of indigenous qualities and institutions is now generally recognized.²⁴

The Christian coalition which came into power in 1901 lost the elections in 1905 but returned to power again in 1908. East Indian policy constituted a leading issue in the campaign of 1913. The left accused the right²⁵ of using the Government to Christianize the natives by turning education over to Christian sects. It was even asserted that this policy of "forced Christianization" had brought about a Moslem reaction and was alienating²⁶ the East Indies from the mother country. The Government replied that the school question was merely an issue among Netherlanders and not between Christians and Moslems, but that the left was making it appear as if Dutch Christians

²³ See chap. xii, "Law and the Judiciary."

²⁴ "A European and to them a foreign culture, must not be forced upon the natives, but in part with our support their Asiatic qualities ought to be brought to a higher development . . ." From Program of Principles of the Antirevolutionnaire Party, Art XVIII, *Schrift en historie Antirevolutionnaire Partij*, pp. 491-492

²⁵ In Dutch politics the division between right and left follows religious more than economic and social lines. The three Christian parties are designated as the right and all other parties are the left, with the result that some rather conservative groups are found in the left.

²⁶ Sarekat Islam had just been founded. See chap. xviii, "The National Awakening." From 1909 to 1912 the mission schools had increased 40 per cent. Under a regulation of 1911 more liberal subsidies were granted to private schools. See chap. xiii, "Education."

were making a vicious attack upon Mohammedanism. No force, either directly or indirectly, was used by the Government to Christianize the natives; missions were supported for the reason that they represented a suitable and a powerful means for the development of the people.²⁷ The left won in the election, but since the Socialist Party refused to join in a coalition ministry, what the Dutch call an "extra-parliamentary" ministry took over the administration of the Government. This ministry, while it leaned upon the left, contained no leading political figures of the left nor championed an active coalition program.

No great change in policy occurred with the shift of control of the Government from right to left in 1913 nor with the shift back again to the right in 1918.²⁸ Party strength in the chambers has apparently reached a point of equilibrium, due in part to the introduction of proportional representation. No great change in policy is likely, as, after all, the three Christian parties are parties of the center and not of the right. Since these parties are based upon religious views the attitudes of the members on economic and social questions are often quite divergent. This is particularly evident with respect to the Catholic Party; it includes a moderate center and right and left wings. The party must steer a middle course. If it veers to the right it loses votes to the Socialists, and if it veers to the left it loses them to one of the conservative parties. This is also true to a lesser degree of the two Protestant parties. Unless economic conditions remain adverse, it would seem as if the Socialist Party, too, has nearly reached its maximum strength. It also has its problem of right and left wings. Any attempt to enlarge its membership by a conservative trend results in the loss of left-wing votes to the Communists. Some observers profess to see the likelihood of a sudden shift in government control by a break-up of the present coalition and the substitution for it of a

²⁷ For the history of the 1913 campaign see Idema, *Parlementaire geschiedenis van Nederlandsch-Indië van 1891-1918*, pp. 271 ff.

²⁸ The right has had a majority in Parliament since 1918, but because the three parties could not agree on a coalition program the ministries since 1925 have been extra-parliamentary.

coalition between the Catholic and Socialist parties.²⁹ The important difference in principle between the Socialist Party and the parties of the right is that it accepts the ultimate independence of the East Indies, whereas the parties of the right advocate rapid preparation for self-government, but within the Netherlands Empire. The depression and the disturbances in world politics caused a shift of attitude even among parties of the extreme left. In 1937 a Communist member of the Second Chamber declared that his party had temporarily, at least, dropped the slogan "The Indies Free from Holland" because it did not wish to play into the hands of the semifascist government of Japan.

The policy of rapid democratization of the East Indian Government has been fairly consistently pursued during the last two decades. Idenburg, the Antirevolutionnaire Minister of Colonies from 1902 to 1905, and again in 1908, who became Governor General in 1909 and served until 1916, was very sympathetic to Indonesian aspirations. Under his successor, Graaf van Limburg Stirum, the Volksraad was opened. The latter's policy was focused upon rapidly giving the Indonesians the place in the Indian body politic which was due them—too rapidly, according to some critics, who moreover reproach him with dislocating East Indian finances by a careless financial policy. Fock, the leader of the Liberal Party, served as Governor General from 1921 to 1926. He succeeded in again balancing the budget, but in the opinion of his critics not without retarding the advancement of the country. In 1922 a revision of the colonial articles in the Netherlands constitution took place³⁰ and in 1925 followed the revision of the

²⁹ The position of the Socialist Party with respect to colonial policy is as follows. The colonial work of the Social Democratic Party will in the first place be directed at making foreign control unnecessary. All reforms must have for their object a weakening of the colonial relationship, and, where possible, dovetail with indigenous institutions. The party recognizes the right to national independence, but declares that lasting existence of this is possible only when (a) a native administration can be found which has come forth from the people itself, or at least is generally recognized by them without, however, prescribing any definite form of governmental organization, and (b) this administration is prepared to discharge the responsibilities which the incorporation of the country in the international economy has brought with it. *Nieuwe Rotterdamsche Courant*, Avondblad, November 1, 1929. See also *De Socialistische Gids*, November, 1929, pp. 889-914.

³⁰ See chap. v, "Parliamentary Control"

East Indian Government Act, providing for greater independence for the East Indian Government and greater native participation in government. Under Governor General Jonkheer de Graeff the new reforms were instituted. De Graeff was sympathetic with the nationalist movement and sought the cooperation of its leaders, but was finally compelled to institute restraining measures when the movement appeared to be moving out of peaceful channels. The distressing economic conditions with the resultant fiscal difficulties led to the selection in 1931 of a business executive for Governor General, after the Ministry had been deadlocked for weeks over the selection. The choice of the Ministry had apparently narrowed down to two men, van Karnebeek, former Minister of Foreign Affairs, and Colijn, former minister and leader of the Antirevolutionnaire Party. Neither faction would accept the choice of the other, and in the end Jonkheer de Jonge, former Minister of War, but for nine years immediately previous an official of the Royal Dutch Shell with residence in London, was chosen. He concentrated his efforts upon solving the economic and financial problems arising from the world depression. By means of greatly increased taxes and a drastic pruning of expenditures the budget was brought into balance, while the liberal political trend of his predecessor was halted if not reversed. Improved economic conditions have allowed his successor, Governor General Tjarda van Starkenborgh Stachouwer, to return to a more liberal policy, but the armament program is again causing an acute financial problem.

While most of the parties differ little on the fundamentals of East Indian policy, considerable differences do exist between certain groups and figures in Dutch public life. The rapid development of nationalism took the Dutch people by surprise and caused a reaction among certain groups. The organization of the *Ondernemers' Raad*, with Professor W. M. F. Treub as its first chairman and spokesman, is one evidence of this reaction. Treub was the frank spokesman for the group which has large economic interests in the East Indies. The liberal trend of the last two decades in general and the Leiden Indological faculty in particular came in for vigorous attack. The estab-

lishment of the conservative Indological Foundation at Utrecht University in 1925 as a counterweight to the Leiden School is one of the fruits of the movement he headed.⁸¹ With respect to specific questions of East Indian administration, such as the labor contract with penal sanction and the Indonesian majority in the Volksraad, the Ondernemers' Raad group is found in active opposition to the liberal trend.

In none of the colonial nations has the possession of a dependency so deeply saturated the whole life of the country. Very large investments, extensive missionary enterprises, and a large colonial civil service both retired and active have given nearly every section of the population interests in the East Indies. It is estimated that over 60,000 of the inhabitants of The Hague once lived in the Indies. A weekly air service and a wireless telephone have annihilated the time distance between the two countries. It is not surprising that the nationalist movement should have caused a reaction also outside the quarters of the capitalist group with large economic interests in the East Indies. The statement that "the national and international importance of the Netherlands is intimately related to and probably dependent upon Dutch political and economic power in the East Indies"⁸² is fairly expressive of what is in the minds of these people. Some emphasize the divergence in development and race among the Indonesian peoples and their geographic separateness and on these grounds justify continued Dutch control.⁸³ It was probably to allay the disquiet of this group, especially after the Communist disorders of 1926, and also as a warning to nationalists to keep their activities in peaceful channels, that the Minister of Colonies declared in the Second Chamber, in the course of the 1927-28 session, that "our work in India will not have been completed within a foreseeable time and it is not a matter of practical politics to speak or think of the departure of the Netherlands from India, but it comes down to this,

⁸¹ See chap. xi, "The Civil Service"

⁸² Steenhuis, "Het goed recht in de zegenrijke werking van het Nederlandsche bestuur in Indie," *Indisch Genootschap*, 1928, p. 37

⁸³ See Hulshoff Pol in *De Indische Gids*, LI, 809 ff., and Schrieke, *De Indische politiek*.

that account must be taken of the fact that we are in India and will remain there, in the first place in the well-recognized interest of India itself and of the people who inhabit it."⁸⁴ A similar, though more moderate statement was made by the Governor General in his speech opening the Volksraad in 1928.⁸⁵

The leading current in public opinion is the continuance of the Netherlands and the East Indies as equal and autonomous parts of a common empire. Of this view there are and have been many variations. Snouck Hurgronje, an early advocate of a policy of "association," stated that the Indonesians had lost whatever of distinctively indigenous political and cultural life they had possessed, that it could not be revived, and that therefore the Netherlands ought, while always respecting the Indonesian religious institutions, to accept the moral obligation of preparing them for full participation in Dutch political and national life.⁸⁶ The assimilation idea has few adherents,⁸⁷ but the idea of a Netherlands East Indian empire finds frequent expression. Schrieke, director of the East Indian Department of Justice, advocates a thoroughgoing union of the Netherlands and the East Indies, a European-Asiatic state, with political and economic unity.⁸⁸ Colijn and Ritsema van Eck hold that the Netherlands has an enduring function as the supreme authority over the different islands and peoples. Both oppose a unitary government for the East Indies.⁸⁹ A

⁸⁴ *Handelingen van de Tweede Kamer*, 1927-28, p. 167

⁸⁵ "Only by peace and order can the government actually establish and confirm the conviction that the Netherlands' leadership, which for an unforeseeable time cannot be spared, fulfills the high task of spreading felicity and welfare among the population and of steadily raising it to such a social, economic, and political level that the effective Netherlands leadership can be spared"

⁸⁶ *Nederland en de Islam*, 2d edition, chaps. iii and iv

⁸⁷ Advocacy of a sort of language imperialism is advanced by Nieuwenhuis, "Het Nederlandsch in Indië—een taal politieke beschouwing," *Indisch Genootschap*, 1924, pp. 51 ff. Nieuwenhuis states that American, French, and English colonial policy proceeds from the idea that the spreading of culture and language is the best method of economic expansion. If only a million developed Indonesians speak and read Dutch, Dutch influence will continue after the political relationship has ceased and Dutch wares will continue to find a market.

⁸⁸ *De Indische politiek*

⁸⁹ Colijn, *Koloniale vraagstukken van beden en morgen, Geen rust, maar bezinning*, Speeches in First Chamber, April 17, 18, 19, 1929. Colijn favors island governments with as large grants of independence as possible, and a greater emphasis upon the economic

journal, *Rijkseenheid* (Imperial Unity), is published by the society *Indie-Nederland*. The Society, *Het Nederlandsch-Indonesisch Verbond*, which first began as a society of Dutch and Indonesian students, in the early 'thirties carried on an active propaganda for the idea of a Netherlands-Indonesian empire. This campaign was carried on under the leadership of Rs Mas Notosoeroto, a Javanese of noble blood and a leading writer and poet in the Dutch language. Through his journal, *Oedaya*, founded in 1923, Notosoeroto sought "the promotion of a mutual appreciation and understanding between the Netherlands and Indonesia, and between East and West in general."

The whole problem of the function and justification of colonial government was penetratingly examined in a much-discussed work by de Kat Angelino.⁴⁰ This work has been widely read, very generally approved, and has exercised a tremendous influence upon public opinion. De Kat Angelino sees the fundamental justification and function of the colonial government as a phase of the world problem of the reconciliation of East and West, and sees a solution of the problem in a synthesis of their cultures. This synthesis has the best chance of success under the colonial relationship. Unless the inevitable and not undesirable meeting of East and West takes place under conditions of wise leadership and thoughtful protection, the result will be an impoverishing instead of an enriching of human culture, will endanger the future peace of the world, and may cause the disintegration of Eastern society. The chief function of colonial administration, in accordance with this view, is the protection and strengthening of native society. As guiding lines of policy he stresses widening out of the social horizon, collaboration of the native elite, differentiation according to needs inside the frame of unity, the connecting of nationalism with the work of construction, and finally the transformation of the mechanical structure into an organic dispensation. The idea of a Netherlands East Indian empire underlies the argument.

development of the natives Ritsema van Eck, "Indie's staatsinrichting," *Indisch Genootschap*, December, 1922

⁴⁰ *Staatkundig beleid en bestuurszorg in Nederlandsch-Indie*, 3 vols. An abridged English translation appeared in 1931 under the title of *Colonial Policy*

The Dutch realize their international weakness and frankly declare that, whether they will or no, they are a mandatory for the East Indies. They insist that their policies and standards of administration are and will continue to be above the level set by the Mandates Commission. For several years past, Indonesians have been members of the Netherlands delegation to the League of Nations Assembly meetings and the International Labor Conferences. The Ministry of Colonies maintains a bureau at Geneva to keep in contact with colonial affairs at the international capital. During the earlier and more hopeful years of its existence there was some discussion of an independent membership for the East Indies in the League of Nations.

Chapter V

PARLIAMENTARY CONTROL

NO PART of the constitutional system of the Kingdom of the Netherlands has undergone such radical changes as the relationship of the central organs of government to the overseas territories. The Constitutions of 1814 and 1815 conferred upon the King exclusive power to direct the administration of the overseas colonies and possessions of the State. The Government interpreted the term "exclusive" to mean exclusive of the States General, and hence that it had in the colonies an unlimited authority completely free from the control of Parliament. For many years the States General accepted this interpretation and the Government's colonial policy was scarcely mentioned in Parliament.¹

Hogendorp first, and then Thorbecke, the great midcentury liberal leader, attacked this interpretation. The latter contended that the Constitution had conferred upon the King exclusive power over administration only and not over legislation. All attempts to limit the power of the Crown were unsuccessful until 1848, when a new constitution was adopted. This Constitution required that the East Indian Government Act, the monetary system, and the auditing system of the colonies be established by act of the States General and that all other subjects were to be regulated by law when the need for it might appear. It was not until 1854 that the States General completed the work of enacting a new East Indian Government Act for the East Indies, the first in the history of Dutch colonial policy to be submitted to the judgment of the national representative body. An act regulating the monetary system was passed in the same year, and in 1864 there followed the East Indian Auditing Act. The East Indian Government Act of 1854 required the regulation by law of a few other subjects, the most important of which was the tariff. It was the purpose of the States General to leave the regulation of most subjects

¹ Kranenburg, *Nederlandsch staatsrecht*, II, 150-163

to the Crown and itself to regulate by law only exceptionally. The practice of the following years was in conformity with this purpose; subjects as important as criminal and civil law were regulated by the Crown.

A most important date, so far as parliamentary control is concerned, was the year 1868. The Constitution of 1848 had definitely set up a parliamentary system, but it was not until 1868 that full ministerial responsibility was positively established. This brought the subject of colonial administration squarely within the orbit of Dutch public opinion. Furthermore, under the Accounting Act of 1864 parliamentary approval of the East Indian budget was necessary from 1868 on. With every submission of the budget the Minister of Colonies found himself subjected to a cross-examination on overseas administration. He was questioned not only on large matters of policy, but also upon detailed matters about which at first he had no information. This practice had important consequences. In order that he might be prepared for the annual cross-examination at the time of the submission of the budget, the Minister of Colonies called for information on all sorts of administrative detail from the Governor General. And since he feared that he might be held responsible for every act of administration, however insignificant, he naturally insisted upon giving the Governor General directions even in detailed matters. This tendency, in conjunction with the quickened means of communication with far-off Batavia, put an end to the independence of the Governor General. To protect himself, the latter was in turn compelled to centralize administration in his own hands more closely than ever.

This concentration of control in Batavia² and The Hague continued unchecked for over fifty years. Political and administrative reform measures had been before the States General for a couple

² The Governor General has two official residences, one in Batavia and one in Buitenzorg, but because of the more favorable climate in Buitenzorg he lives in Batavia only for short periods on certain occasions, as when the Volksraad is in session. The Council of the Indies, the Volksraad, and most of the departments are in Batavia and for this reason it is generally spoken of as the capital.

of decades, but few came to fruition. After the creation of the Volksraad events moved so rapidly that reforms could no longer be postponed. Immediate and thoroughgoing reforms became politically imperative. In the hope of bringing about a relaxation in the tensely wrought-up feelings of the revolutionary November days of 1918, the Governor General suddenly, and on his own initiative, came before the Volksraad to make an announcement in which far-reaching reforms were promised. In fulfillment of this promise a Commission for the Revision of the Governmental Structure of Netherlands India was appointed a few weeks later. This Commission, whose report appeared on June 30, 1920, first of all urged the need of the transfer of the center of gravity in both administration and legislation from the Netherlands to the Indies. Three objections were advanced against the then existing relationship: (1) the possibility that East Indian interests might be slighted in favor of Dutch interests; (2) the lesser acquaintance in the Netherlands with the needs of the Indies; and (3) the excessive delays caused by the continued meddling of Dutch governmental organs in purely East Indian affairs.³

Very important changes in the colonial articles of the Netherlands Constitution were made by the revision of 1922. The Government proposed dropping the word "possessions," but the Second Chamber thought the word "colonies" just as offensive and so the expression "colonies and possessions in other parts of the world" was removed from the Constitution.⁴ The significance of the constitutional revision for the Indies was considerable. A distinction was made between legislation and administration. With respect to general administration the Governor General was invested with an independent sphere of authority, while the Crown was left with only specified powers. A large amount of legislative autonomy was granted to the Indies. To governmental organs established in the Indies was delegated the power to regulate East Indian internal affairs, while to the Crown

³ *Verslag van de commissie tot herziening van de staatsinrichting van Nederlandsch-Indië*, 1920, pp. 1-7.

⁴ Article 1 of the Constitution now reads, "The Kingdom of the Netherlands comprises the territory of the Netherlands, Netherlands India, Surinam, and Curacao."

was reserved the right to regulate only such subjects and on such occasions as the law might specify. However, the Crown received the right to suspend all ordinances passed by East Indian organs when judged in conflict with the Constitution, the law, or the general interest, while the right of vetoing East Indian ordinances on the same grounds was left to the States General. And, finally, though Parliament retained the right to legislate on colonial subjects, it must first consult the representative body of the territory concerned.⁵ An attempt was made to grant the population of the overseas territories the right of representation in the Netherlands States General. An amendment to this effect received lengthy consideration but was defeated.

The East Indian Government Act had now to be brought into conformity with the revised articles of the Netherlands Constitution. Many urged upon the Government that an entirely new law be drafted, but the Minister of Colonies for practical reasons chose the method of revision. The revised East Indian Government Act received the approval of the States General in 1925 and went into effect the first of the following year. The question of parliamentary control over the East Indian administration arose in connection with the very

⁵ Art. 60 "The King has the Supreme Administration over Netherlands India, Surinam, and Curacao

"So far as specified powers are not reserved to the King by law or the Constitution, the general administration is exercised in the name of the King by the Governor General in Netherlands India, and by the Governors in Surinam and Curacao, in a manner to be regulated by law

"The King annually directs to the States General a comprehensive report of administration and the state of Netherlands India, Surinam, and Curacao."

Art. 61. "The political organization of Netherlands India, Surinam, and Curacao is fixed by law; other subjects are regulated by law, as soon as the need therefor appears to exist. With exceptions to be stipulated by law, and in a manner to be regulated by law, the representative body of the territory concerned must be heard

"Undiminished by the requirement of the first clause of this article, the regulation of the internal affairs of Netherlands India, Surinam, and Curacao shall be left to the organs established there, in the manner to be prescribed by law, unless the authority for the regulation of specified subjects is by law reserved to the King."

Art. 62 "The ordinances made by the organs mentioned in the second clause of the preceding article may be vetoed by law on the grounds of being in conflict with the Constitution, the law, or the general interest.

"Such ordinances may be suspended by the King in a manner to be designated by law."

first article of the law.⁶ The Government proposal merely charged the Governor General with the general administration of the East Indies in conformity with the regulations provided in the act. The majority of the States General wished to fix the responsibility of the Minister of Colonies for overseas policy beyond doubt. Now it would be difficult to hold the Minister of Colonies responsible for the course of events in the Indies if he could not influence them. For this reason both wings of Parliament wished to make sure that the Minister of Colonies should retain a check over the Governor General. While the left desired merely a negative check, the right insisted upon a positive check. The Government reluctantly accepted the amendment to the first clause so as to charge the Governor General with the general administration "in observance of the directions of the King."

Though the constitutional revision had left the regulation of internal affairs to the East Indian Government, it had not done so without reservation. The Governor General's Revision Commission had urged the complete abolition of Crown legislation for the Indies, but this demand was not incorporated in the constitutional revision. However, the power of the Crown with respect to legislation was reversed. Instead of having all power of legislation except that denied to it, as it had previously, it now has this power only for such subjects and on such occasions as the law specifically delegates to it. Under the East Indian Government Act the Crown was given the power of legislation in case of deadlocks between the Governor General and the Volksraad.⁷ The East Indian Government Act further empowered the Crown to regulate a number of subjects.⁸ Very clearly the Crown

⁶ Art. 1 (1) "The exercise, in the name of the King, of general administration of Netherlands India conferred upon the Governor General by the second clause of Article 60 of the Constitution, takes place in conformity with the regulations stipulated in this law and in observance of the directions of the King."

(2) "The Governor General is, with respect to the exercise of his office, responsible to the King. To this end he extends to the Minister of Colonies all desired information."

⁷ Art. 89, Sec. 3, Art. 90, Sec. 3. See chap. viii, "The Volksraad."

⁸ The rank and discharge of the superior officers of the East Indian army (Art. 32, Secs. 4 and 5); ship papers and ship passes (Art. 44); instructions for the General Auditing Chamber (Art. 117, Sec. 2); the removal of members of the High Court (Art. 150, Sec. 1, a, d); admission to and settling in the Indies (Art. 160, Sec. 1), extradition (Art.

can legislate in these matters even though they touch the internal affairs of the Indies. But in the regulation of these subjects, except in cases of an urgent nature, the Crown must give the Volksraad a hearing before issuing the rules.⁹

As was noted above, the Constitution provided that the East Indian Government Act be established by act of the States General, and that the States General may regulate other subjects whenever the need for it may appear to exist. Under this article the States General can, apparently, also regulate purely internal affairs, if it deems this necessary. However, the States General is under the obligation of submitting the matter to the Volksraad to ascertain its views before legislating. This is required for any revising of the East Indian Government Act or drafting of a new one.¹⁰ Primary control over the budget has been shifted from Holland to the Indies, and is now in the hands of the Governor General and the Volksraad. But if the latter two cannot reach an agreement on a section or subsection of the budget, the disagreement goes to the States General for settlement. The States General retains secondary control over the East Indian budget through the requirement that the budget must have the approval of the Netherlands Parliament before going into operation.¹¹ While the Crown has the power of suspending East Indian ordinances, the suspension falls if not approved by the States General within a year.¹² Other nonlegislative powers which lie within the competence of the States General are the chartering of circulation banks, the authorization or the ratification of agreements between the Indies and third powers, the floating and guaranteeing of Indies loans,¹³ and a few other matters.

Two important and much-discussed questions of parliamentary control have come out of the 1922 constitutional revision and the East

162, Sec. 2), concerning the rights and duties flowing from treaties and international law and concerning the protection of the territory of Netherlands India (Art. 91, Sec. 1, a and b)

⁹ Art. 70

¹⁰ Art. 61

¹¹ East Indian Government Act, chap. IV.

¹² *Ibid.*, Art. 99

¹³ *Ibid.*, Arts. 185, 114

Indian Government Act of 1925. The thorny question of what are, and what are not, "internal affairs" was left unsettled by the East Indian Government Act, and the question has been repeatedly discussed in and outside of Volksraad and States General. Succeeding Ministers of Colonies have even given conflicting answers to the question. The Government has been urged to draw a line of demarcation, but it is evident that internal affairs cannot be easily marked off from imperial and international interests, and that only practice can bring the solution. Even purely internal matters such as native political education are matters of such importance as to partake of an imperial interest. A narrow construction would very quickly reduce the field of East Indian competency to almost nothing. Apropos of this de Kat Angelino writes: "The development of the British Dominions gives a picture of a similar evolution, in which great powers of the mother country, seldom or never used, were gradually allowed to fade away. It is the task of the overseas organs to take care of the interests that have been entrusted to them in such a way that instructions, suspensions, annulment, or the need to regulate by law any East Indian matter on which the Volksraad is only allowed to give its advice, and thus to withdraw it from the East Indian legislature, will become increasingly rare."¹⁴ Crown and Parliament will have to exercise restraint. Political bodies, however, find it easier to pass self-limiting resolutions than to observe them, and the States General is no exception. The character of the debates and discussions at the time of the annual submission of the East Indian budget differs little from what it was previously. Instead of limiting themselves to the broad lines of policy reflected by the budget, members still insist upon discussing very minor details of administration, matters which clearly belong to the internal affairs of the Indies and which ought to be discussed only in the Volksraad.

The second much-discussed problem of parliamentary control is the question of ministerial responsibility. Some have feared that the Minister of Colonies could no longer be held completely responsible,

¹⁴ *Colonial Policy*, II, 419

since the regulation and administration of internal affairs is now left to the East Indian Government. The problem involves the relation of the Minister of Colonies to the Governor General, a subject which will be discussed in the next chapter. Let the conclusions of Professor van Vollenhoven on the matter suffice here.¹⁵ "Complete responsibility of the Governor General to the King, complete responsibility of one or more ministers to the Chambers for the Governor General's acts and omissions—that is the system which was desired and which was created, and that is the system which still prevails. For all that occurs in East India in the field of the central government there exists no responsibility other than to the States General. That responsibility rests squarely upon the Minister of Colonies, either alone or collectively with other ministers, depending upon whether the affair touches the conduct of administration as a whole."

The problem of parliamentary control is colored by certain peculiar features of the Dutch political system. The office of Prime Minister is unknown. One reason for this is that the two-party system disappeared almost immediately after full ministerial responsibility was established in 1868. The Dutch are a strongly individualistic people to begin with, and, in addition, religious divisions cut across the old political groupings along economic and social lines. The result is a large number of small parties. Furthermore, many of the elections after 1868 failed to render decisive popular verdicts; no definite conclusions could be drawn from the elections. And lastly, these numerous small parties were frequently without outstanding leadership, at least without leadership great enough to dominate a coalition. Dr. Kuyper in 1901 attempted to remold the Council of Ministers after the English cabinet, and to make himself Prime Minister, but failed. He who forms a cabinet is not always a party leader and, even if he is, does not always take a place in the cabinet. The Ministry of Cort van der Linden, 1913-1918, was in large part made up of nonparliamentarians, and the cabinet-former himself was not a member of either

¹⁵ "Verantwoordingsplicht van regeer-organen in het staatsrecht overzee," *Koloniaal Tijdschrift*, XVIII, 525 ff.

chamber, nor did he hold a leading position in any party. Since 1918 a coalition of the three religious parties, generally spoken of as the parties of the right, has commanded a parliamentary majority. Yet for years the leader of the largest party of the coalition, the Catholic Party, did not form the Ministry officially and did not take a place in it. The Ministries of 1922-1925, 1926-1929, and 1929-1932 did not contain the leader of any of the majority parties. There is generally not only no real leadership in the Ministry, but the majority coalition is so loosely held together that no political program can be carried out. There is no working majority for any positive measure, and some Ministries have suffered one defeat after another, even when evading controversial issues as much as possible. Twice in the last decade has the resignation of the Ministry resulted in crises of several months' duration. But since no other kind of ministry could command a majority, there followed cabinets which were unable to do more than merely carry on the administration. Such cabinets have been variously described as "administrative," "business," "intermezzo," and "extraparlimentary" cabinets. Dissolution of the Chambers no longer offers an avenue of escape from this anomalous situation, for the system of proportional representation, adopted in 1917, destroys the possibility of large shifts in the party alignment in Parliament through a small shift in the popular vote. Relative party strength has become very nearly stabilized. The upshot of it all is that under these conditions Parliament can exert only a negative control over the Ministry, and effective responsibility goes by the board.¹⁰

There have been some interesting developments in Dutch cabinet formations since 1933. The election of that year was very much a personal triumph for Mr. Colijn, the very able leader of the Anti-revolutionnaire Party, yet he did not form a ministry on the old, so-called clerical coalition basis. In view of the very difficult economic and financial problems demanding solution, Colijn felt that it was desirable to have a much broader basis of parliamentary support. For

¹⁰ See Kranenburg, *op cit.*, II, 167 ff. Also van Vollenhoven, "Parlementaire stelsel en het regeering overzees," *Koloniaal Tijdschrift*, XVIII, 290 ff.

this reason he brought into his cabinet representatives of the Liberal and Liberal Democratic parties as well as representatives of the three religious parties. This cabinet, often called the National cabinet, was also unusual in that while it was an extraparlimentary cabinet it nevertheless contained the leading figures of the parties represented in the coalition. Mr. Colijn was again the cabinet-former after the 1937 elections, but this time Mr. Colijn was forced to return to the old unstable coalition of the three clerical parties. When this coalition broke up in the summer of 1939, owing to the defection of the Catholics, Mr. Colijn formed a new cabinet which was unusual in that it contained no fewer than four former East Indies officials, two of them retired directors of departments, and another member, the Minister for Foreign Affairs, had once served as adviser to the government of Siam. This cabinet, which went down upon its first appearance before the States General, was followed by a new departure in Dutch politics. It is a coalition of representatives of two of the clerical parties, the Catholic Party and the Christian Historical Party, and the Socialist Party. This is the first time in the history of Dutch politics that the Socialist Party or Socialist Party leaders have consented to enter a coalition cabinet. This is the first time a Socialist has held a cabinet post. It is doubtful whether under the circumstances this entrance of Socialist leaders in ministries will mean a change in Dutch colonial policy.

The former evil of too great dependence of the East Indian Government on the States General has largely disappeared since 1925,¹⁷ but even under the present constitutional arrangement parliamentary influence may still be considerable, and Parliament will have to be on its guard against undue meddling. A greater check on the States General than the constitutional one is to be found in the Volksraad. The States General can still through the Minister of Colonies force a certain course of action upon a reluctant Governor General, but it runs the danger of arousing bitter opposition in the Volksraad. A skillful Governor General can lean on the Volksraad for strength in

¹⁷ See Day, *The Dutch in Java*, pp 413 ff.

a contest with the Minister of Colonies and the States General, should the latter attempt too much interference in East Indian affairs.

After the revision of the colonial articles of the Netherlands Constitution in 1922 the interesting suggestion¹⁸ was made that since the East Indies, Surinam, and Curacao are no longer colonies but constituent parts of the empire the Governor General and Governors of these territories ought no longer to be subordinate to the Minister of Colonies, but to the prime minister or the cabinet as a whole. This suggestion meets the obstacle of the absence of a prime minister in the Dutch political system. Should the Governor General be made directly responsible to the Minister-President the latter would virtually become Minister of Colonies. The Volksraad petition of 1936 for dominion status embodies a somewhat similar proposal. In order that the three overseas parts of the empire may be accorded a position in conformity with their new constitutional position they should receive complete administrative and legislative autonomy. The Governor General should immediately be made responsible to the whole Netherlands Ministry. This, however, should be only a transitional stage. There should be created an imperial council, composed of representatives of the four parts of the empire, at first clothed with only advisory power, but ultimately endowed with legislative power for imperial affairs with an imperial ministry responsible to it. The Governor General would then no longer be an official of the Netherlands but of the empire.

If it cannot be said that the States General has always been a just steward, it cannot be denied that it has been a watchful one. There have been decades, as for instance the 'sixties and 'seventies, when great parliamentary careers were made and wrecked on colonial issues. Nor have great debates and dramatic moments involving East Indian questions been lacking.¹⁹ The number of colonial experts in Parliament is unusually large, for the Netherlands is a small country in

¹⁸ J. A. Eigeman, *Indië en de ministerraad*, 1929. For a criticism of the suggestion see an article by Professor Logemann in *Koloniale Studien*, January, 1930.

¹⁹ One such occasion was the debate over customary native law in 1906. See chap. xii, "Law and the Judiciary."

comparison with the vast East Indian empire it governs, and the number of its people interested in East India is proportionately large. Many retired East Indian officials and other former residents of the Indies enter Dutch politics and become members of Parliament. Two former Governors General, Mr. Idenburg and Mr. Fock, were for a while after their return from the Indies leading members of Parliament. Especially since 1916 has there been a lively public interest in East Indian questions, and East Indian policy is always a subject of serious and sometimes warm discussion. Members of Parliament have urged the desirability of sending parliamentary commissions to the Indies for the purpose of studying important East Indian questions which come before the States General, but none has been sent to date. Since 1933 a Javanese, Mr. Roestem Effendi, has been a member of the Second Chamber. He was elected on the Communist ticket. It was thought that the moderate and conservative parties would follow the example of the Communist Party in placing Indonesians on their tickets as candidates for the States General, but to date that has not occurred.

Chapter VI

THE MINISTRY OF COLONIES

THE NETHERLANDS CONSTITUTION charges the Crown with the "supreme administration" over the East Indies, while it entrusts the "general administration" of the East Indies to the Governor General, except so far as the Constitution and the Statutes have reserved specific powers to the Crown. What distinguishes the supreme administration of the first from the general administration of the second, and what the relationship between the two is, has never been definitely answered, though much debated.¹ The most reasonable interpretation in the light of the purpose of the 1922 revision is that by supreme administration is meant a controlling supervisory power, and that the reserved powers of the Crown form a part of the general administration. Before 1922 the term "supreme administration" included both legislative and administrative powers, but the constitutional revision of that year limited the scope of the term to administration only.²

The East Indian Government Act and other special laws have reserved to the Crown a large number of important powers with respect to East Indian administration.³ The Crown appoints and removes the following high East Indies officials: the Governor General, the Vice-President and members of the Council of the East Indies, the Chairman of the Volksraad, the Commander of the Navy, the President of the High Court, the chairman and members of the Auditing Chamber, and the Commander of the Army. In accordance with the rules of order of the Council of Ministers (the cabinet), these appointments, with the exception of the Chairman of the Volksraad

¹ Kranenburg, *Nederlandsch staatsrecht*, II, 154 ff.; Kleintjes, *Staatsinstellingen van Nederlandsch-Indië* (hereafter referred to simply as Kleintjes), I, 184 ff.

² See chap. VIII for legislative powers of the Crown.

³ There is also, of course, such power over foreign affairs as the Constitution has left with the Crown. Until 1862 the Governor General had charge of the relations with Japan, China, and Siam, but in that year the conduct of these relations was transferred to the Minister of Foreign Affairs.

and the Commander of the Navy, must be made by the cabinet. In case of disagreement between the Governor General and the Council of the East Indies, where such agreement is necessary for specified administrative acts, decision is made by the Crown. The Crown has in addition to these a number of other minor administrative functions.

THE MINISTER OF COLONIES

Since Dutch politics did not develop a tradition of "ministerial solidarity," the relation of ministers to Parliament is more like that in France than that in England. There is both an individual and a collective responsibility, but the solidarity of the cabinet is generally not strong enough to cause the whole cabinet to resign upon the defeat of the measure of an individual minister. An unpopular minister is voluntarily permitted to retire or is simply dropped. Three times since 1868 has a Minister of Colonies unacceptable to Parliament been forced to retire by the rejection of the whole or a section of the East Indian budget.⁴ Generally a minister will not wait for an open rejection, but will retire as soon as it becomes clear that he has lost the confidence of the States General. However, under the abnormal conditions prevailing during a large part of the last three decades, caused by the ambiguous outcome of the elections and the inability of any group of parties to unite on a coalition program, Parliament has been forced to tolerate ministers whose policy it did not approve.

It is an axiom of parliamentary government that the views of the King and the views of the Government cannot be separated. The King and Government are a unity of which the King is the irresponsible and the ministers the responsible heads. The exchange of views between the King and his ministers the latter must guard in secret. This principle has suffered some infractions in recent Dutch political history. Minister of Colonies Pleyte in October, 1914, announced that in view of the disturbed international situation the Queen and he had urged Governor General Idenburg to continue in

⁴ 1882, 1883, and 1890. See van Vollenhoven, "Parlementaire stelsel en het regeeren overzee," *Koloniaal Tijdschrift*, XVIII, 295-296.

office beyond the expiration of his term. A little later, Minister Pleyte again joined the Queen's name to his in a cablegram to the Indies expressing approval of the East Indian Defense Movement. These lapses did not go unnoticed or unrebuked by members of Parliament. A breach of the same principle was involved in a somewhat different way when Governor General Idenburg, unwilling to execute an order of Minister Pleyte, is supposed to have demanded the Queen's interposition.⁵

The relationship of the Minister of Colonies to the Governor General has been greatly changed by the 1922 constitutional revision, though the view is frequently expressed that the change in practice has not been as great as was contemplated or expected. The Minister must inhibit himself and yet keep a controlling hand on the broad outlines of East Indian policy. This will be done not so much by the issuance of directions to the Governor General, nor by the suspension of East Indian ordinances and their recommendation to Parliament for veto, as by the choice of a person of particular views and force for the position of Governor General in the first place, and his continuance in office in the second. Since the Governor General must take cognizance of the suggestions of the Crown, the ground is laid for a secret interaction between Minister and Governor General in which agreement on policy can be reached. In case of minor differences of policy the Governor General will undoubtedly continue in office and loyally carry out the Minister's wishes. If the two differ radically in views of policy the Governor General may be expected to resign. The Minister must no longer be held responsible for detailed acts of the Governor General, but for his statesmanship. The new conditions require of the Minister of Colonies not only that he inhibit himself, but that he also restrain Parliament from unnecessary meddling in East Indian affairs. He will find this not the least difficult of his tasks. During the depression years there developed a very sharp discontent among all groups in the Indies with what was believed to be the intense control exercised from The Hague over the Indies Government.

⁵ "Opperbestuur," *Encyclopaedie*.

There arose an almost universal demand for greater autonomy, culminating in the Soetardjo petition for dominion status which was passed by the Volksraad in September, 1936.

It follows that the Minister of Colonies must give his loyal support to the Governor General and defend him against attacks in Parliament. If the Governor General commits acts which the Minister feels he cannot defend, or if the former insists upon a policy which the latter does not approve, the Minister may come before the cabinet with a recommendation for his removal, or himself resign. Such was the theory and the practice until a decade ago. With the paralysis of the parliamentary system described in the preceding chapter there have been several subversions of this fundamental principle. The Minister has failed on several occasions to come to the defense of the Governor General when attacks have been made upon him by members of Parliament, and on one or two occasions has joined in the attack himself.⁶

More recently the Minister has gone over the head of the Governor General and openly rebuked East Indian officials from the floor of Parliament. The latter act, besides implying an open disavowal of the Governor General, involved an interference in the daily administration of the East Indian Government and quickly drew fire from members of the Volksraad. A resolution disapproving of this act of the Minister received general support in the Volksraad, but was withdrawn for reasons unrelated to the content of the resolution.⁷

The advisability of attaching a colonial council to the Minister of Colonies has been repeatedly discussed for over a century. The Constitution of 1814 called for such a body, but the Council of Commerce and Colonies (the two departments were at that time combined under one ministry) set up in pursuance of this provision enjoyed only a brief existence. It was abolished in 1820. Mr. van Falck, the Minister of Colonies at the time, proposed that an advisory council be

⁶ *Handelingen van de Tweede Kamer*, May 23, 1923, p. 2340. See van Vollenhoven, "Verantwoordingsplicht van regeerorganen in het staatsrecht overzee," *Koloniaal Tijdschrift*, XVIII, 525-526.

⁷ See *Handelingen van den Volksraad*, May 6-10, 1931.

established in its stead, but the proposal was never carried out. A commission to study the question was appointed in 1841; but its recommendations, instead of leading to a colonial council, led to the addition to the Council of State of members in special service. The matter again came up for discussion at the time of the drafting of the Constitution of 1848 and the East Indian Government Act of 1854, but nothing came of it. The proposal last received serious public consideration in the 'nineties and in the first years of the present century. Probably one reason why the plan never received greater support is that there is in the Dutch governmental system an institution which in part answers the purpose of a colonial council. All measures which the Crown intends to place before the States General, and all proposals of the States General to the Crown, and all general measures of administration for the colonies must be submitted to the Council of State for advice. On the Council of State, a body of fourteen men, are generally found a number of former colonial officials. For a time its membership included two former Governors General, Mr. Idenburg and Mr. Fock.

Whatever may have been the merits of the proposal for a colonial council in years past, there is nothing to be gained and much to be lost by establishing one at this late date. The objections to a colonial council based upon English experience have been clearly set forth by Ramsay MacDonald, and these objections outweigh any merits advanced in its favor.⁹

... the appointment to the Council of Indians separated from India and living in a foreign atmosphere of thought and interest does not amount to much, and certainly can never justify the existence of such authority. It is a cumbersome machine of check and counter-check if it has any use at all. It destroys real parliamentary interest without giving Indian control or expert political advice. It prevents such reorganization in the India Office duties as will put that office into proper relationship with the Indian government on the one hand, and British representative institutions on the other. It is an adjunct to bureaucracy and not to Indian opinion. It is a Civil Service imposed as a check upon a Legislature, and it becomes more and more anomalous as representative institutions in India are established and broadened.

⁹ *The Government of India*, 50

There are certain peculiar features of the Dutch political system which have greatly influenced the character of the colonial ministers. Ministers do not have seats in the Chambers. If the ministers are selected from the membership of either Chamber the unwritten rule requires the resignation of their seats.⁹ Very frequently technicians rather than political leaders are placed over departments. The Ministers of War and Marine have generally been army and naval officers. The head of the Department of Waterways is generally a specialist, the head of the Department of Justice is often selected from among high judicial officials, and the Minister for Foreign Affairs is almost always a former diplomat or Foreign Office official. The remaining departments—Internal Affairs, Finances, Agriculture, Industry and Commerce, Labor, and Education—are regarded as the more political departments. But even the heads of these departments are more frequently specialists than are the heads of similar departments in other countries. The Department of Finances has had at its head able economists like Treub and van Gijn, and even economists of the very first rank, such as Pierson.

The Ministers of Colonies have been very much of the same type as the heads of the other departments. Of the thirteen men who have held the position in the last fifty years, eight had spent considerable time in the service of the East Indian Government, one had been Governor of Surinam, two had practiced law in the East Indies for many years, and one had spent a number of years in the East Indies in the service of large business enterprises. Only one had never lived in the colonies. Mr. Idenburg, who held the office at three different times, had spent some twenty years in the East Indies as an officer of engineers at the time of his first tenure of office, served as Governor of Surinam between his first and second terms, and as Governor General of the East Indies between his second and third terms of office. Throughout the history of the department there has been a frequent exchange of personnel between the office of Governor, Governor Gen-

⁹ In 1909 two ministers retained their seats in Parliament. The government had only a small majority and it was feared that the party might lose these seats in a by-election. There was, however, no sharp criticism of this action.

eral, and Minister of Colonies. Nine of the twenty-five Governors General have also been Ministers of Colonies, either before or after their term as Governor General. There have been seven Ministers of Colonies since 1918 and all came from the ranks of high East Indian officials, either retired or still in active service.¹⁰ This selection of ministers from the ranks of former East Indian officials cannot be regarded as a happy tendency. Inevitably, the government of a colony is largely government by its civil service, and the character of the men who hold the offices of Governor General and Minister of Colonies should be such as to check bureaucratic government. More important than technical and detailed knowledge of the governmental system overseas are political experience, the confidence of a political group, broad views of policy, and parliamentary ability and experience. A somewhat similar objection can be brought against the selection of a Minister from the ranks of those who know the Indies from years of experience in private business there. Obviously, his views are likely to be colored by his material interests.

How large the Eastern dependency looms in Dutch life and politics can be seen from the fact that the Minister-President of the Cabinet of 1933, Dr. Colijn, himself assumed the direction of the Department of Colonies and succeeded in bringing into his ministry former Governor General de Graeff as Minister for Foreign Affairs. Colijn is regarded as the strongest man in Dutch politics in decades and a man of very great administrative ability. He undoubtedly felt that the economic and financial problems of the Indies were of the utmost gravity and importance. In view of the situation in the Far East at the time, it is significant that Colijn selected as his Minister for Foreign Affairs a recent Governor General of the Indies who had also served as Dutch diplomatic representative at Tokyo and Washington.

¹⁰ In the "national" or "crisis" cabinet formed in May, 1933, Mr H Colijn, the chairman, reserved the portfolio of colonies for himself. This act indicates the importance attached to the office. He spent seventeen years of his early life in the East Indian army and as personal aide to Governor General van Heutsz. Since his return to Europe he has had a wide and successful business as well as a political career. Mr Welter, the present Minister of Colonies, was at the time he retired from the East Indian service Vice-President of the Council of the Indies.

Previous to 1840 the Department of Colonies was united with other departments under a common ministry; since that date it has enjoyed a separate existence. Though the word "colony" has been studiously avoided in governmental documents since the Constitutional Revision of 1922, the name of the Department remains unchanged.

THE COLONIAL OFFICE

About two hundred persons are employed in the Colonial Office, including clerks and stenographers. These come in on the basis of competitive examinations, whereas the higher officials are appointed by royal decree. Most of the higher personnel are field men or retired colonial officials. Members of the East Indian civil service in the Netherlands on furlough are frequently assigned to a post in the Department. The States General has urged upon the Minister the desirability of more frequent exchanges of personnel between home and field forces, but the Minister, though acknowledging the desirability of such an exchange, has countered that a too rapid turnover of personnel would lower the efficiency of his office. Attached to the office are several advisers, the most important of which are the Adviser in International Opium Affairs and the Adviser for East Indian and Arabian Affairs. The latter position was held for almost a quarter of a century by Professor C. Snouck Hurgronje, the great Moslem scholar, whose services to his government in this capacity, first in the Indies and later in Holland, have been of inestimable value. There is also an Advisory Commission on Petroleum Questions, and a Commission for the Affairs of the Protestant Church in the Indies.

Holding the central and key position in the Department is the Minister's cabinet, or office of his private secretary. All matters of a secret, confidential, or general nature, the expedition of such matters, the control over the archives of these documents for the last thirty years, supervision of the cable connections with the colonies, the preparation of the annual colonial report, personnel of the Department, and the granting of distinctions are within the sphere of this bureau. Aside from a general secretary and a library the Department is divided

into seven divisions. These divisions deal respectively with judicial affairs and international law questions; finances; auditing and disbursing; matters which in the Indies belong to the sphere of the departments of Internal Administration, Education and Worship, and Agriculture, Industry, and Commerce; matters which in the Indies would fall in the departments of Public Works and Government Industries; defense; and miscellaneous affairs.

COMMISSARIAT FOR EAST INDIAN AFFAIRS

This Bureau was set up in anticipation of an agency of the East Indian Government in the Netherlands. The establishment of such an agency had been under consideration since 1920, when it began to be felt that all the activities which the Department handles for the different services of the East Indian Government, such as the recruiting and sending out of personnel and the purchasing of supplies, should be transferred to a new agency, standing under the direct control of the East Indian Government. Such an agency became all the more necessary after the new East Indian Government Act of 1925, for the regulations governing pensions, furloughs, the training and sending out of officials, and other regulations are no longer established by royal decree or general orders of administration, but by ordinances or decrees of the Governor General. Since the agency could not be set up at once, for the reason that it would require a large number of thoroughgoing changes in legislative and administrative regulations, it was decided to set up a provisional arrangement which as nearly as possible would approximate that of the agency to be set up in the future. During the provisional period the head of the Commissariat is given as much of an independent sphere of action as is consistent with his position as a subordinate of the Minister. Within the Commissariat are also found the Bureau for Supervision over Students (those preparing for the East Indian service), which also gives aid and advice to East Indians studying in Holland, the Information Bureau for the East Indian Service, the Medical Council for the Department of Colonies, and the Bureau for the Orphanage Court.

Chapter VII

THE GOVERNOR GENERAL'S OFFICE

AMONG HEADS of dependencies the Governor General of the East Indies ranks next to the Viceroy of India in the importance and power of his office. He is viceroy over sixty-one million people spread out over a large archipelago and in every stage of development. Besides the indigenous population there are other large and important population groups—the Europeans, the Chinese, and the Arabians—with more or less conflicting interests. The position has been one of great difficulty at all times and the rising nationalist movement is making it increasingly so. The depression, which affected the East Indies acutely because of its economic structure, placed before this official almost superhuman tasks.

The Governor General is appointed by the Crown upon recommendation of the Ministry. Naturally the influence of the Minister of Colonies weighs heavily in the selection, since he must defend the Governor General's official conduct before the States General. However, the selection is not always made by the Minister. Sometimes the actual selection is made by the President of the Ministry and at other times by the Ministry as a whole, the method of selection depending upon the circumstances of the moment. Practice indicates that the Governor General need not even be a member of one of the coalition government parties. Governor General Fock (1921-1926), a member of the left, was chosen by a government of the right. There need only be agreement between the Ministry and the Governor General with respect to the most important questions of colonial policy. The position is so important and difficult to fill that the choice is very limited, regardless of party. Governors General van Heutsz, van Limburg Stirum, and de Graeff had no known party allegiance. On the other hand, Idenburg and Fock were outstanding party men.

The East Indian Government Act lays down only two qualifications for the office. The Governor General must be a Netherlander

and have passed his thirtieth birthday. The framers of the East Indian Government Act of 1854 expected that the choice would fall upon a Dutch statesman and one well acquainted with conditions in the East Indies. Few men selected for the post have possessed both of these qualifications at the time of their appointment, and some possessed neither. Governor General Rooseboom (1899-1904) was a military officer who had served six years as a member of Parliament. He had seen no service in the East Indies. He was probably chosen for the specific task of vigorously pushing the effective occupation of the Outer Islands. Van Heutsz (1904-1909) served many years in the East Indian army and distinguished himself in the campaign against the Achehnese in northern Sumatra, and later showed exceptional ability as military and civil governor of Aceh. He was probably appointed to complete the work of his predecessor. Idenburg (1909-1916) had served about twenty years in the East Indies as an officer of engineers, was elected a member of the Second Chamber in 1901 while at home on furlough, and became Minister of Colonies in the following year. He was Governor of Surinam from 1905 to 1908. He was serving his second term as Minister of Colonies when appointed Governor General of the East Indies. This unusual action was justified by the President of the Ministry, Mr. Heemskerk, on the ground that there was no one else to send, and the appointment evoked little criticism. The next incumbent, Count van Limburg Stirum (1916-1921), was selected from the diplomatic corps. He was Minister to China at the time of his appointment. Fock (1921-1926) was a practicing lawyer in the East Indies for about twenty years before returning to the Netherlands shortly after 1900 to enter Dutch politics. He was Minister of Colonies from 1905 to 1908 and then served a period as Governor of Surinam. Jonkheer de Graeff (1926-1931) served over twenty years in the East Indian civil service and was Vice-President of the Council of the East Indies when he retired in 1917. Between the time of his retirement from the Indian service and his appointment as Governor General he served first as Minister to Japan and later to the United States. Jonkheer de Jonge (1931-1936) had lived for nine

years in London as an official of the Royal Dutch Shell Oil Company. He had served a brief term as Minister of War in 1918.

The present Governor General, Jhr. A. L. W. Tjarda van Starkenborgh Stachouwer (1936-), came to the office from a diplomatic career interrupted by eight years' service as the Queen's Commissioner in the Province of Groningen. At the time of his appointment he was the Netherlands Minister to Belgium, which is the most difficult position in the Dutch diplomatic service. The relations between the two countries are of very great importance, but peculiar and complicated, if not delicate. The position requires great knowledge of actualities and a large measure of tact and subtlety. He had no special knowledge of the internal affairs of the Indies, though he had some special acquaintance with the position of the Indies in world politics, as he was attached to the Dutch delegation to the Washington Conference.¹

Governor General Tjarda van Starkenborgh, though forty-eight years of age at the time of his appointment, is considerably younger than the majority of his predecessors. The tradition against the appointment of young men to this position was strong. It was felt that because the Governor General stands at the head of an administrative corps in which even the oldest members are relatively young,² he ought to be a person of mature judgment.

A survey of the Governors General of the last forty years indicates that the persons selected for the office do not conform to a specific type. Of the eight who have filled the office during this period three had been army officers, but two of these had had political experience as well, and two were chosen from the diplomatic service; however, one of these had served a number of years in a high administrative position. The striking thing about these selections is that so few,

¹ He has close contacts with the United States through marriage. Mrs. Tjarda van Starkenborgh Stachouwer is an American, the daughter of Theodore Marburg of Baltimore, former United States Minister to Belgium.

² Department heads, governors, and members of the Council of the Indies are generally not over fifty years of age. Many of them upon retirement return to Holland and enter upon a long career in Dutch politics.

in fact only two, were leading political figures at the time of their appointment. Most of them were men without known political affiliation. Only one was chosen from the East Indian civil service. Four, or half of them, had previously lived or served in the East Indies. While there may be some advantages in a period of residence in the Indies, there is an obvious disadvantage, especially if the residence occurred some time before the term of office. The danger in the appointment of such a person is that he thinks he still knows the country, when in fact conditions have greatly changed since his residence. In general, a man who has little detailed knowledge of the country is preferred to one who has much, for the reason that the government is so largely run by career officials. A knowledge of details often hampers a view of the whole, causes an absorption of attention in matters which, however important, should be left to subordinates, and makes for an attitude which prevents freshness of approach.

The law provides no definite term of office, but the tradition of the five-year term has become so strong that the incumbent tenders his resignation at the end of this period even when he would like to stay. Because of unusual circumstances a Governor General may be asked to serve longer, as was Idenburg, whose customary term would have expired at the beginning of the World War. The Governor General is the only East Indian official required to take an oath of fidelity to the Constitution of the Netherlands. Before the depression, he received an annual salary of 80,000 florins (\$32,000), plus a 100,000-florin (\$40,000) representation allowance.⁸ He is also granted a small traveling allowance. Two palaces, one at Batavia and one at Buitenzorg, and a country house at Tjipanas, all in Java, are at his disposal. His usual place of residence is at Buitenzorg; only on special occasions, as when the Volksraad is in session, does he reside in the palace at Batavia.

Two important prohibitions are imposed upon the Governor General by the East Indian Government Act. He may not lay down his

⁸ With the revision of the salary scale during the depression this was considerably reduced.

office or leave the East Indies without the consent of the Crown. Before the last decade it was not the practice for a Governor General ever to leave the Indies, but a custom is developing among the Governors General of the East Indies, Indo-China, and the Philippines of exchanging official visits. Fock and Wood exchanged visits, and so did de Graeff and Davis. But leaves to the mother country are unknown. The second prohibition has to do with the financial interests of the Governor General. He may not directly or indirectly be a shareholder in, or go surety for, any business enterprise which has entered into a contract for profit-making purposes with the East Indian Government or any of its political subdivisions. Nor may he be a shareholder in any concession or business enterprise, of whatever nature, established in the Indies or doing business there. This provision was amended in 1925 to extend for a period of five years after retirement from office.

The appointment of a Lieutenant Governor General is optional with the Crown. The framers of the provision thought to give the office a unique function and much stress was laid upon it at the time of the drafting of the East Indian Government Act of 1854. In view of this it is strange that the position has never been filled. As was stated above, the framers of the Act expected the appointment of leading Dutch statesmen to the office of Governor General. It was felt that the appointee should have an opportunity to orient himself in his new environment and to learn something of the details of his future office before being entrusted with its duties. The position of Lieutenant Governor General was created to fill this need. Some time before the retirement of the old Governor General the appointee would be sent out to serve as Lieutenant Governor General, to be engaged during this time in such work as the Crown or the Governor might assign. In spite of the fact that the position has never been filled the office was not dropped in the 1925 revision of the East Indian Government Act. In the absence of a Lieutenant Governor General the Vice-President of the Council of the East Indies is the first in line of succession to the office of Governor General.

POWERS AND RESPONSIBILITY

The first article of the East Indian Government Act indicates the general position of the Governor General. "The exercise in the name of the King," so runs the article, "of the general administration of the Dutch East Indies, which by the second section of Article 60 of the Constitution has been entrusted to the Governor General, takes place in accordance with rules laid down in this law and in conformity with the King's directions. The Governor General is responsible to the King for the exercise of his function. For this purpose he provides the Minister of Colonies with all desired information." The term "general administration" might leave the impression that the Governor General exercises only his administrative functions in the name of the King and in accordance with the King's instructions, but such is not the case. The term was apparently meant to cover all of the Governor General's governmental functions, of whatever nature they might be. Full ministerial responsibility is thus retained intact.

The general dissatisfaction with the dependence of the Governor General and the East Indian Government upon The Hague and the measures taken in the 1922 revision of the Netherlands Constitution and the 1925 revision of the East Indian Government Act to remedy this, have been described in the chapter on "Parliamentary Control." Legally the position of the Governor General has not been greatly modified. "Nevertheless in practice," concludes de Kat Angelino, "the situation has entirely altered. There is a living development before which constitutional theory has to retreat; there is a period of transition full of inconsequences which cause many difficulties to aposterioristic and systematic descriptions of constitutional law. But these inconsequences are understood and accepted all the more readily by those who do not wish to limit a living growth to rigid measurements."⁴ However, during this period of transition the relationship between the Governor General and the Minister of Colonies is a very delicate one, and each will have to exercise tact and restraint if diffi-

⁴ *Colonial Policy*, II, 419.

culties are to be avoided. Mr. Fock, who has served both as Minister of Colonies and as Governor General, has repeatedly drawn attention to the importance and sensitiveness of this relationship. Mr. Fock indicates the only sensible solution. The Minister should restrict his influence to the general direction of East Indian governmental policy, whereas the Governor General should be left free to work out the details of this general policy.⁵

The administrative work of the Governor General is overwhelming. Democratization and decentralization since 1918 and 1925 have not greatly lightened his task. Decentralization has cut down his work in some respects, but widened it in others, as he must now supervise the work of regional and local councils. Democratization has greatly changed the character of his work. Much of the government work must be carried on in public and the Governor General must now answer the questions and criticisms of the Volksraad. He must now justify his actions, even when he is free to go his own way. There is now also a far greater and more regular personal contact between the Governor General and department heads and regional heads than there was in the past.

GENERAL SECRETARIAT

Unknown to the law, but a very powerful body nevertheless, is the General Secretariat. It was originally intended to serve as the secretarial bureau of the Council and of the Governor General, working in reality as the central department of general administration, examining and passing upon all recommendations, whether from the departments or from the Council. It developed into a superdepartment. It came to be the adviser extraordinary of the Governor General and exercised an influence upon him far greater than that of department heads and Council. Until recently the Governor General did everything; he attempted to control even the details. Since the sole responsibility for the conduct of the East Indian Government rested with

⁵ "De postie van den Gouverneur Generaal in Nederlandsch-Indië, vijftig jaren geleden en thans," *De Indische Gids*, January, 1929, pp 113 ff

him he feared to delegate authority to department heads, and because it was utterly impossible, unaided, to handle the flood of business that came to their desks, succeeding Governors General built up the Secretariat as a superdepartment. Because of rapid promotion in the Secretariat, the Secretary General was able to attract the best officials. The General Secretariat has charge of the central archives and the history of every question can be traced there.

The General Secretariat is charged with conducting the correspondence of the Governor General, including that with the Minister of Colonies, and of aiding him in working out his decisions and orders. Thus the work of the General Secretariat still touches the substance as well as the form of the Governor General's work.

At the head of the General Secretariat is the General Secretary, until recently regarded as one of the most important officials in the East Indian Government. An evidence of this standing is the practice of reserving a place in the Council of the East Indies for the retiring General Secretary.

The General Secretariat has probably come in for more criticism than any other branch of the East Indian Government. It is charged that the Secretariat exerts a predominant influence on the Government, and that by its intervention it prevents fruitful coöperation between the Governor General and department heads. It is contended that it forms an unnecessary link in the official organization, since the department heads are the proper authorities to advise the Governor General. Moreover, its advice is said to be legalistic rather than practical.⁸ The office has too many officials who know nothing of East Indian life and who decide most divergent questions on bases of written reports. Mr. Fock was early one of the Secretariat's most severe critics, and, when Minister of Colonies, stated that its position and function would have to be altered. However, neither as Minister of Colonies nor as Governor General was he later able to bring about any modification. As a matter of fact, its predominant position is gradually giving way before other living forces, which recent changes

⁸ Kleintjes, II, 275

in the governmental structure have released. However, the regulation of the place and function of the General Secretariat cannot be accomplished without a reorganization of the East Indian Government at the center, for the problem involves the relationship of the Governor General to his department heads and to the Council of the East Indies.

THE COUNCIL OF THE EAST INDIES

Previous to 1836 the head of the East Indian Government was the "Governor General in Council." The members of the Council of the East Indies were co-members of the Government with the Governor General. With this body rested the highest legislative and executive authority in the Government of the East Indies. One of the main reasons for establishing this collegiate government was to curb any autocratic inclinations of the Governor General, and the Council's undoing came just because they performed their function too well. The Council gave much trouble at the time of the institution of the culture system, and one of the first measures undertaken by van den Bosch upon his arrival in the Netherlands and his appointment as Minister of Colonies was the reduction of the Council from a co-governing to a purely advisory body.

The East Indian Government Act of 1854 restored to the Council much of the power lost in 1836. Consent of the Council for important administrative measures and the issuance of ordinances was made mandatory. However, the Governor General was not altogether bound by the advice of the Council; under special circumstances he was free to carry out his will without the concurrence of the Council. Under this system the Government of the East Indies was now the Governor General in Council, and again the Governor General alone, depending upon whether he acted with or without the concurrence of the Council. Under this system the Governor General remained exclusively responsible to The Hague.

With the revision of the East Indian Government Act in 1925, the Council again lost its co-governing powers. The position of the Council may be summarized as follows. The Governor General is free to

consult the Council with respect to all matters of general or special interest, and from this provision no subject is excluded. Secondly, the Governor General must consult the Council in a number of matters. The East Indian Government Act names some fourteen matters in which this consultation is made mandatory. Included are the regulation of political relations with Indian princes and peoples, general measures taken by the civil authorities in case of war or insurrection, unusual measures of an important nature, important announcements and proposals to the Volksraad, the enactment of ordinances upon the sole authority and responsibility of the Governor General, the drafting of government bills, appointments to important positions, and the suspension and removal of superior officials. In all these the Governor General alone decides; only, he must notify the Council of his decision.

Lastly, the Governor General must not only consult but also obtain the concurrence of the Council in a small number of matters. This concurrence is necessary with respect to the prohibition of sojourn in the form of externment or exile, the assignment of specific place of sojourn, the declaration of amnesty and abolition with respect to native princes and heads, the granting of dispensation from executive orders, the settlement of jurisdictional controversies between the judicial and administrative departments, between the law courts and native priests and heads, and between civil and military courts, and in declaring regulations for Europeans applicable to others not in this category. Even in these matters of required concurrence the Governor General is not entirely bound by the Council. When unable to accept the advice of the Council, he may call in the arbitrament of the Crown. And when he judges that the peace and safety of the East Indies or other important general interests may be endangered by further delay, he may take the measures he deems necessary without waiting for the decision of the Crown. But before taking such measures the Governor General must again exchange views, first in writing, and then orally, with the members of the Council as to the proposed step.

The Council also has the right of initiative in making proposals

to the Governor General, but since all proceedings are, with rare exceptions, kept secret, it is not known to what extent use is made of this right. When the Governor General meets with the Council, which he rarely does, he is its presiding officer. In his absence the Vice-President of the Council presides.

The Governor General may charge the members of the Council with special commissions and send them on missions within the confines of the East Indies, provided always that the Vice-President and two members remain present at the headquarters of the Council. The Governor General frequently avails himself of this privilege, for next to his own office, the members of the Council are regarded as the highest officials in the East Indian Government and their prestige weighs heavily with the native princes and peoples.

Before 1930 the Council was composed of the Vice-President and four members, all Netherlanders. In that year the Council was enlarged to seven members, and two Indonesians—the first to be elevated to its membership—were given positions in it. During the depression the membership was again reduced to five, with one place reserved for an Indonesian. The members are appointed and subject to removal by the Crown (which generally means the Minister of Colonies). Because of this method of appointment the Council is often regarded as a device for giving the Minister of Colonies an additional check on the Governor General. However, tradition has considerably narrowed the choice of the Crown. Of the positions reserved for Netherlanders, one is generally filled from among the three governors of Java, one from among the heads of the regional governments of the Outer Territories, one from the judiciary or Department of Justice, one from the administrative departments other than Justice and Interior, and one from the General Secretariat. So strong has this tradition become that no Minister would lightly depart from it. A decade ago when the Crown passed by the head of the Department of Justice and the members of the High Court and selected the law member from the faculty of the law school, there was great ado, and a justice of the High Court resigned in tacit protest. The enlargement

of the Council in 1930 was for the purpose of making a place for Indonesians. Apparently one of the two additional seats was meant for a member from Java and one from the Outer Territories, but probably because there was no suitable candidate from the Outer Territories both seats were given to Javanese. Since Indonesians were not yet found in high positions either in the Department of the Interior or in other departments, they were chosen from the Volksraad. This may have been unwise, as it weakened the Indonesian element in the Volksraad. It also had the effect of changing the character of the Council, since it added a political element to its membership. Political considerations in the Netherlands now apparently dictate that at least two of the members shall be Catholics.

The Council of the Indies has come in for a large measure of criticism, both in and outside of the States General. Its composition is considered bad by many, since it is composed of former civil servants, who are not free from the traditional official attitude. It is held that the members are chosen not so much for their general political and economic insight as for their official expertness. Kleintjes states that the practice has made of the Council an isolated college, composed almost exclusively of Indian officials who have succeeded in climbing up the hierarchical ladder, and who look upon membership in the Council as the crowning achievement of their official career.⁷ Two attempts were made by the Minister of Colonies, one in 1893 and the other in 1907, to enlarge the Council by the addition of several non-official members, but both attempts failed.

THE CENTRAL GOVERNMENT'S LACK OF INTEGRATION

The chief objection to the Council of the Indies involves the organization of the central government. It is characterized by a bewildering lack of integration. Several factors contribute to this. One factor is the geographic distribution of the departments of government. The main residence of the Governor General is at Buitenzorg, while the seat of the Volksraad, the Council of the East Indies, and the depart-

⁷ *Op. cit.*, I, 269

ments of Justice, Finance, Interior Administration, Education and Religion, Economic Affairs, Traffic, and Public Works is at Batavia. Two departments, those of Marine and of War, and the Public Health Service, are located in Bandoeng.⁸ Thus the capital of the East Indies may be said to be scattered among three cities, and the Governor General exercises control over his departments at a distance and merely in writing. He must issue a formal pronouncement in numberless departmental affairs; the most insignificant conflicts between departments must go to him for a decision, and likewise differences in points of view between branches of the central government and offices of the regional governments.

But the most important factor impeding integration is the existence and the function of the Council of the Indies. The Council still wields an enormous influence. It has greater influence with the Volksraad than the department heads. The Governors General come to the East Indies with only vague ideas of policy, and except with respect to matters on which they hold strong personal views they rely upon the advice of the Council. Moreover, in any difference of opinion with the Minister the Governor General's position is greatly strengthened if he has the support of the Council. Furthermore, the East Indian Government Act specifically entrusts the function of advising the Governor General to the Council, and not to the department heads. The headship of a department is regarded as practically an automatic promotion for able permanent officials; the appointments are not made on the basis of views on policy.

The Governor General ought to be in closer association with his department heads, in order that he may cause his ideas to penetrate into the work of all the departments. But between the Governor General and the department heads stands the Council of the East Indies. While its advice was once important, its advice is now of constantly

⁸ The problem of bringing all the departments together in one city, either Batavia or Bandoeng, was examined anew in 1939. Upon the basis of this examination the Governor General declared in a statement that no change would be made. Certain departments, like those of Economic Affairs and Finance, could not well be removed from the business contacts which Batavia affords and it would be unwise to remove other departments from immediate contact with these departments.

decreasing value as compared with the advice which the heads of the departments are in a position to give. Since the membership of the Council is predominantly made up of persons unacquainted with the problems of the central government, its recommendations are often of little value. According to a leading East Indian official, the rise of the Volksraad has also contributed to the undermining and disintegration of the central organs.⁹ Department heads must often appear before the Volksraad to fight for measures which they first proposed to the Council, but which the Council seriously altered. When the Volksraad knows of this it makes the most of the opportunity to embarrass the department heads. Between the Council and the department heads the Governor General is in a difficult position. He needs the loyal support and cooperation of the department heads, yet the East Indian Government Act makes the Council his last and highest adviser. The Governor General cannot govern in case of a continuous conflict with the Council. The position of the Governor General in all this confusion has been sketched by a former department head as follows:

Not above, but between these forces stands the solitary, sent-out-from-the-Netherlands Governor General, buried under conflicting advices, and the official machine not set up to lay these before him in a condensed, coördinated, and mutually evaluated form. Quick decisions, with full knowledge of affairs, are thereby made practically impossible. Overloaded with detail work, the Governor General cannot practice except in a limited measure the true administrative art, that of letting the organization function. And notwithstanding all this, his duties of representation make inescapable demands.¹⁰

As a way out, Mr. J. Schrieke, the former head of the Department of Justice, proposes that the department heads be united with the Council of the Indies.¹¹ A movement in that direction was made by the revision of the East Indian Government Act in 1925. Article 8 provides that the heads of the departments of general administration

⁹ J. Schrieke, *De Indische politiek*, pp. 119-126.

¹⁰ J. Schrieke, "Op weg naar een Indische regeering," *Koloniale Studien*, Vol. 21, No. 5, pp. 451-473, October, 1937.

¹¹ *De Indische politiek*, loc. cit.

shall be summoned to attend those meetings of the Council of the East Indies which are presided over by the Governor General, unless the latter for special reasons shall decide otherwise. Since the Governor General rarely presides over the Council, little has come out of this new provision. Department heads may also attend meetings of the Council not presided over by the Governor General when the Council has under consideration measures falling within the province of the department. In either of the above situations the heads have only an advisory voice.

As long as fifty years ago the Council of the East Indies was called "the fifth wheel of the wagon" by a leading member of the States General. If there was point to the statement then, there is infinitely more point to it now, since the establishment of the Volksraad. Many voices went up in the States General in 1925 for its abolition, but it was saved when the Minister of Colonies came to its rescue. Some change will sooner or later have to be made. Matters might be brought to a head if a strong Governor General should appoint an entirely new set of department heads on the basis of policy and develop the Council of Department Heads for use as a fulcrum against the Council of the East Indies. The East Indian Government Act does indeed state that the department heads collectively form a Council of Department Heads, but to date no Governor General has dared to develop it. He does not meet with it and apparently only minor administrative matters are discussed at its meetings. However, the existence of the Volksraad is forcing the Governor General into a closer personal relationship with his department heads. The latter appear before the Volksraad to explain and defend administrative measures and unless the directors of departments know fully the Governor General's views embarrassing situations are certain to develop.

Chapter VIII

THE VOLKSRAAD

PLANS TO ADD a representative element to the bureaucratic East Indian Government go back several decades before the creation of the Volksraad in 1916. At first it was thought best to achieve this end by adding a few nonofficial members to the Council of the Indies. Two efforts in this direction were made, the first by Minister van Dedum in 1893 and the second by Minister Fock in 1907. The formulation of plans for popular participation in the field of local government had been under discussion since 1854, when the Council of the Indies first suggested its desirability, but official proposals for creating a central representative body date from 1892, when the Council advised the establishment of a Colonial Council, which should be consulted with respect to the budget laws and certain phases of administration.¹ The proposal received the support of Governor General Pijnacker Hordijk, and the project of Minister van Dedum followed shortly after. The latter's proposal found little support in Parliament, largely for the reason that it was deemed not to go far enough, as it provided merely for an optional addition of eight private members to the Council of the Indies. The project of van Dedum collapsed with the fall in 1894 of the cabinet of which he was a member.

The proposal of Minister Fock was unacceptable because it was tied up with a transfer of fiscal power from the Netherlands to the East Indies, without sufficiently changing the bureaucratic character of the East Indian Government. Fock proposed to give the East Indies a juridical personality in order that it might borrow money in its own name and upon its own responsibility. The budget would be fixed by ordinance in the East Indies instead of by law in the Netherlands as heretofore, with the provision, however, that the budget would require the approval of the States General before going into operation.

¹ For the early history of the movement for representative bodies see report of the *Herzienings-Commissie* of 1920, pp 305 ff, and the article "Volksraad" in the *Encyclopaedie*, IV, 616 ff

The Council of the Indies, enlarged by four nonofficial members appointed by the Crown, would participate in fixing the budget. Minister de Waal Malefijt, who as a member of the States General had shared many of the objections raised against Fock's proposals, recalled all the latter's proposals except that of giving the East Indies a juridical personality. Toward the end of his period in office he introduced a measure for creating a colonial council in which the members of the Council of the Indies would hold seats *ex officio*, but this proposal went the way of its predecessors.

Thus matters stood when Pleyte became Minister in 1913. It was clear that the States General did not wish to see the Council of the Indies changed into a body half advisory and half representative, but that it desired the creation of an entirely new body in which the inhabitants of the East Indies would have representation. The difficulties in the way of the construction of a representative body for a society like that of the East Indies were not small. The problem was complicated by the presence of large and heterogeneous foreign population groups. Even the indigenous population was heterogeneous and of greatly varying degrees of development.

Minister Pleyte presented his proposals to the States General in 1915 and on December 16, 1916, they became law. The law, which took the form of an additional chapter to the East Indian Government Act, provided for the establishment of a representative body called the "Volksraad,"² composed of a minimum of 39 members. Of these 39 members, one, the chairman, was to be appointed by the Crown, of the others, half were to be appointed by the Governor General, and the other half were to be elected by indirect suffrage. With the exception of the provisional fixing of the budget, with respect to which consultation was made mandatory, the Volksraad was given only advisory powers.³ The Governor General was left free to consult the Volksraad upon any subject he might desire, while the Crown was given the power to prescribe consultation with respect to any measure

² Council of the People.

³ Upon the request of the States General consultation was also made mandatory with respect to proposals to lay personal military duties upon the inhabitants

it should deem desirable. For the rest, the Volksraad was given the right of free expression, of petition, of questioning, and the right of inquiry without the power of compelling witnesses.

The Volksraad was formally opened with a speech by the Governor General on May 18, 1918. Officials of the old school dreaded the opening of the Volksraad, since they knew they would not feel at home under the new conditions. Where formerly they commanded, they would now have to emerge from their offices and studies into the glaring publicity of an assembly to explain and justify their actions. Their fears were more than justified, for such a storm of criticism broke loose in the first sessions as to sweep them off their feet. The Government, shocked by all this criticism, unprepared and overwhelmed, made only feeble replies. Hardly had the Volksraad been brought under control when news of revolutionary movements throughout Europe led to a second outburst, even more severe than the first. On November 18 a member of the National East Indian Party made a very critical speech in which he defended the right of revolution. When that same day the Government received news from the Netherlands of attempted revolutionary disorders there it apparently became frightened, for the Governor General, without consulting either the Council of the Indies or the Minister of Colonies, sent a hastily prepared statement to the Volksraad promising far-reaching governmental reforms.⁴ Instead of calming the Volksraad this declaration at first had the reverse effect, for Volksraad members now demanded even greater powers than they had demanded before. Voices went up asking for the Volksraad the powers of interpellation, of *enquête*, of ministerial responsibility, and of definitely fixing the budget. This, probably, led the Government on December 2 to make a second declaration to the Volksraad, in which it laid down its views of the manner in which the reforms were to be made. No significant enlargement of the powers of the Volksraad, it held, could be made without changing the Volksraad from an advisory body to an integral part of the Government with actual participation in and control over

⁴ For the early days of the Volksraad see Bergmeijer, "Zes jaar Volksraad-leven," *Indisch Genootschap*, 1925, pp. 31-50.

the administration; reforms of such far-reaching importance could be made only after earnest and, so far as possible, public preparation. For this purpose the Governor General would shortly appoint a commission charged with the task of proposing recommendations for a revision of the East Indian Government Act. The members of this Commission were announced on December 17, 1918, and a year and a half later, on June 30, 1920, there appeared its report.⁵

The Revision Commission recommended the transformation of the Volksraad into a co-legislative body and that its name be changed to "Landsstaten." It wished to see a change in its composition and desired the abolition of the race criterion in voting and representation. It further recommended that the Landsstaten be given the powers of initiative, amendment, interpellation, and investigation, the last-named under certain restrictions in the interest of public order. Above all, the Commission urged the shifting of legislative powers from the Netherlands to the East Indies, with a like transference of administrative control.

In conformity with the promise of far-reaching governmental reorganization made by the Governor General in November, 1918, the colonial articles in the Netherlands Constitution were amended in 1922, and in 1925 there followed the revision of the East Indian Government Act.⁶ As a result of these acts the position and power of the Volksraad were greatly changed.⁷

⁵ Mr. J. H. Carpentier Alting, former president of the High Court and at the time a member of the Council of the East Indies, was made chairman. Of the twenty-eight members of the commission nine were Indonesians and one was an Indo-Chinese. The official title of the report of the Commission is *Verslag van de commissie tot herziening van de staatsinrichting van Nederlandsch-Indië*.

⁶ The Volksraad again expressed its dissatisfaction with its position by the adoption of a resolution in the second ordinary session of 1921, by a vote of 24 to 6, whereby a request went to the States General for an improvement of the attitude of the Government toward the Volksraad. Complaint was made that the Volksraad was not consulted with respect to important legislation concerning the internal affairs of the East Indies, that often the advice brought out by it was laid aside without proper explanation, and that the attitude assumed by the Netherlands Government was both disheartening and disappointing to the Volksraad. *Mededeelingen der regeering omtrent enkele onderwerpen van algemeen belang*, 1924, p. 63.

⁷ See chap. v, "Parliamentary Control," for an account of a certain phase of the revision.

STRUCTURE AND COMPOSITION

The Volksraad began with a membership of 38, in addition to the chairman, who was appointed by the Crown. Of these, 10 Indonesians and 9 Europeans and foreign Asiatics were elected, and 5 Indonesians and 14 Europeans and foreign Asiatics were appointed by the Governor General. Upon the request of the Volksraad for a larger membership, in order that the different political attitudes and currents might find better expression and representation, the membership was, by royal decree of October 11, 1920, enlarged to 49. The 48 ordinary members were distributed as follows: 20 Indonesians, of whom 12 were elective and 8 appointive; 28 Europeans and non-native Asiatics, of whom 12 were elective and 16 appointive. This composition remained until May, 1927, when a new Volksraad with a new composition and powers came into existence on the basis of the revised East Indian Government Act. No provision was made for official members, or even for the appointment by the Governor General of members of the official corps. The elective members were chosen by the members of the local councils, which formed an electoral college for this purpose.

The revised East Indian Government Act of 1925 provided for a membership of 61, including the chairman appointed by the Crown. The act provided for the distribution of membership among the three racial groups as follows: 25 Indonesians, at least 30 Netherlands, and a maximum of 5 and a minimum of 3 non-native Asiatics. The original proposal of the Government called for 30 Indonesians and 25 Netherlands, but an amendment by the Second Chamber of the States General reversed the quotas. This caused so much disappointment and criticism that an act of 1929 restored the original numbers, and in the Volksraad elected in 1931 there were 30 Indonesian members, 25 Netherlands, and 5 non-native Asiatics, of whom 4 were Chinese and 1 an Arabian. The members must all be Netherlands subjects and inhabitants of the East Indies. The act further provides that 20 of the Indonesian members must be elected,

as also 15 of the Dutch members and 3 of the non-native Asiatic members. The remaining members are appointed by the Governor General upon consultation with the Council of the Indies, which recommends two persons for each place to be filled.⁸ The term of office had been three years, but experience had indicated that this was too short a term, and the revised act increased it to four years. There is no provision for dissolution of the Volksraad.

Before 1927 separate electorates for each of the racial groups did not exist; these were introduced in the revised East Indian Government Act.⁹ The system of indirect election was retained; the members of local, regency, and municipal councils,¹⁰ with the European, Indonesian, and non-native Asiatic members forming separate electoral colleges to choose their own communal representatives in the Volksraad. While the European and foreign Asiatic members of the local councils throughout the East Indies form one common electoral college, the Indonesian members are divided into twelve electoral circles or districts, based largely on ethnical considerations. It was held that sufficient homogeneity and social intercourse between the members of the Indonesian group was lacking to permit of a single electoral district, and that fairer and more real representation could be obtained for this group in this way. The electoral circles have been drawn as follows: West Java, Middle Java, East Java, the Native States of Java, South Sumatra, Minangkabau, North Sumatra, East Sumatra, Bor-

⁸ The Governor General waits to fill the appointive positions until after the elections, in order that he may correct the election results by his appointments. This leads to an interesting result in the appointment to the European seats. In the Dutch Parliament the Socialists command about 25 per cent of the seats, but the Dutch population in the East Indies, outside of the official group, naturally leans strongly to the right, being composed mostly of planters and other businessmen. The Governor General, therefore, gave one or two of the appointive European seats to Socialists. But to find suitable Socialists to serve in the Volksraad he has to turn to the official corps or to school teachers. As a result some of the most bitter criticism of the administration in the Volksraad comes from members appointed by the Government from among its own officials. In recent years no Socialist has been appointed.

⁹ The fundamental provisions for the election of the Volksraad members are laid down in Article 55 of the East Indian Government Act, and the details are elaborated by an ordinance of 1926.

¹⁰ Regency councils are found only in Java and Madura; in the Outer Territories the local councils go by different names.

neo, Celebes, the Moluccas, and the Small Sunda Islands. The members of 18 municipal and 67 regency councils on Java and Madura and the members of 3 municipal, 2 group-commune, 9 commune, and 7 local councils in the Outer Islands participated in the 1939 Volksraad elections. The total number of electors was 2228, of whom 1817 were on Java and Madura and 411 in the Outer Islands. Of the electors 1452 were Indonesians, 543 were Netherlanders, and 233 were non-native Asiatics. A departure from the regular method of selection is found in the case of the representative in the Volksraad for the Native States of Java, where the four Indonesian princes and the Senior Governor are the only electors. Candidates for the Volksraad are elected on the basis of proportional representation. A special bureau, called the Volksraad Electoral Bureau, has been set up to count the votes.

The 1925 revision which raised the Volksraad from an advisory to a co-legislative body raised a difficult problem, the solution of which has resulted in an institution unique among legislative bodies. The Volksraad's powers and functions had been greatly increased, so that it would have to sit in almost continuous session to dispose of its work. But because of the vast distances and the peculiar composition of East Indian society it was feared that it might be impossible to find a sufficient number of persons both qualified to serve as legislators and possessing sufficient leisure to permit them to do so. Experience had already proved how difficult it was to obtain suitable material for Volksraad membership, as the East Indian society had neither a leisure class nor a class of professional politicians. One way out would have been to limit the legislation by ordinance to what was strictly necessary, leaving the rest to executive regulations, but because of the new currents in East Indian society this was no longer possible.

As a solution to this problem there was created the College of Delegates, originally a body of 20 members, but reduced to 15 in 1935, chosen by the full Volksraad from among its own members on the basis of proportional representation. The Chairman and the Secretary of the Volksraad serve in the same capacity for the College of Delegates, which sits when the Volksraad is adjourned. It was thought

that the Volksraad in its plenary membership would dispose of the budget and other matters closely related to it and leave the remaining business to the College of Delegates to dispose of. As a matter of fact the College of Delegates may exercise all the powers of the Volksraad with the exception of such subjects as the Volksraad may retain for itself. This new institution answers several desirable ends. It makes possible the existence and encourages the development of a class of professional politicians who devote all their time to legislative and political activities; it makes it possible for a nonprofessional group to sit in the Volksraad who otherwise would not be able to serve; and finally it makes continuous legislation possible. The last-named was an important consideration at the time, since a far-reaching administrative reorganization was in progress, calling for a large amount of legislation. The members of the College of Delegates are chosen in the first days of the first session after the Volksraad election and, like the members of the Volksraad, serve for four years.

POWERS AND FUNCTIONS

In order to obtain a clear view of the legislative power of the Volksraad, it may be well to summarize the distribution of the legislative power over East Indian internal affairs.¹¹ The legislative power in the Netherlands—the Crown and the States General—may by law set up and modify the governmental organization, and further, may legislate on any other subject whenever regulation by law appears necessary.¹² The power of the Crown to legislate by general administrative order has been limited to the specific cases enumerated by law.¹³ The power of legislation may be exercised by the Governor General—with such exceptions as will be explained shortly—after consultation with the Council of the Indies and with the concurrence of the Volksraad with respect to the following:¹⁴

¹¹ The States General, of course, has the power to regulate all imperial affairs

¹² Constitution of the Netherlands, Art. 61, sec. 1

¹³ *Ibid.*, Art. 61, sec. 2

¹⁴ Legislative acts by the Governor General in agreement with the Volksraad are called ordinances.

a) All subjects not denied to it in the Netherlands Constitution, East Indian Government Act, or other laws.¹⁵

b) Other subjects the regulation of which in accordance with law or general administrative order must take place by ordinance.¹⁶

c) In case of emergency, subject to later confirmation by law or general administrative order, all subjects the regulation of which otherwise would have to take place by law or general administrative order, so long as this regulation has not yet taken place.¹⁷

d) In case of emergency, subject to later confirmation by law or general administrative order, the modification or suspension, in whole or in part, for all the Dutch East Indies or specified parts of it, of laws or general administrative orders.¹⁸

The Governor General may also, after mandatory consultation with the Council of the Indies, issue executive orders for the execution of laws, general administrative orders, and ordinances so far as this further regulation has been delegated to him.¹⁹

Though the Volksraad has the power of initiation as well as of amendment, the ordinary procedure is for the Governor General to initiate legislation. The Volksraad has also the right of petition. It may press the interests of the East Indies or its inhabitants with the Crown, the States General, or the Governor General. The Volksraad has the right of interpellation; it may ask the Governor General for information, and the latter meets this request whenever he thinks he can do so without injury to the interests entrusted to him. Although a vote of want of confidence in a director of a department need not be followed by his dismissal, since the directors are responsible to the Governor General alone, repeated votes of want of confidence may influence such action. The Volksraad was not given the power of compelling witnesses to appear before it or any of its committees; a majority of the States General held that such power could

¹⁵ East Indian Government Act, Art. 82

¹⁶ *Ibid.*

¹⁷ *Ibid.*, Art. 92.

¹⁸ *Ibid.*, Art. 93.

¹⁹ *Ibid.*, Art. 81

rest only with a body having full parliamentary power. It was feared that such power might be exercised to undermine authority.²⁰

Deadlocks between the Governor General and the Volksraad may be settled by the Crown; but an arrangement is set up which should make deadlocks infrequent. In case a bill sent to the Volksraad by the Governor General does not receive the concurrence of that body, the bill may be sent back to the Volksraad for reconsideration. Such resubmission must take place within six months of the time the bill was first rejected by the Volksraad or declared unacceptable by the Governor General with the modifications which had been made in it. If still no agreement is reached, the regulation may occur by a general administrative order of the Crown.²¹ The power of issuing an ordinance upon his own authority is given to the Governor General only if the Volksraad has failed to declare within a stated time²² whether or not it gives its concurrence to a bill sent in by him, or if concurrence of the Volksraad has not been obtained though urgent circumstances demand immediate action.²³ The budget is voted by divisions and subdivisions and if no agreement is reached by the Volksraad and the Governor General with respect to any division or subdivision, that division or subdivision is fixed by law, that is, by the States General.²⁴ If the Volksraad has not passed upon the budget by July 30, the power to vote the budget passes to the States General.²⁵ Before going into operation the budget must have the approval of the States General, even though the Governor General and the Volksraad already agree on it.

²⁰ *Bylagen Handelingen van de Tweede Kamer (1923-1924)*, Vol. 181, No. 10, p. 69. The Volksraad also has the power to determine its own rules of order. The original rules were drawn up by the executive, but were very shortly modified by the Volksraad to permit the use of Malay as well as the Dutch language.

²¹ East Indian Government Act, Art. 89.

²² *Ibid.*, Art. 83, sec. 2. The Governor General may at all times set a given period within which the Volksraad must inform him of its decision.

²³ *Ibid.*, Art. 90.

²⁴ *Ibid.*, Art. 108. In 1932 the Volksraad for the first time rejected an entire division of the budget when it voted down the school budget for 1933.

²⁵ *Ibid.*, Art. 107.

THE VOLKSRAAD AT WORK

That an exotic institution, suddenly created from above, should not immediately find itself or establish an organic relationship with the society which it serves is not to be wondered at. In the early years there was much complaint, even on the part of leading Indonesian members, that the Volksraad had failed to win support either with the masses or with the intellectuals of Indonesian society. This can be readily explained. The masses have not yet awakened, and the intellectuals are still relatively few, and because of the colonial relationship many of these latter are noncooperators. Much of the European society has a transient character. Moreover, until 1927 the Volksraad had only advisory power, which also weakened its influence both upward and downward. As a result of all these factors the Volksraad works in comparative isolation.

An early member of the Volksraad has clearly set out some of the difficulties of the functioning of the Volksraad due to the governmental system.²⁶ There is first of all the divided responsibility between The Hague and Buitenzorg. The Volksraad never knows whether it has before it the East Indian Government or the Colonial Office. If the Volksraad offers an amendment to the budget or a bill and the Minister of Colonies orders it rejected, the East Indian Government naturally refuses all debate over the nonacceptance; against the Minister the Volksraad cannot controvert. The East Indian Government must frequently defend measures which it would wish were other than they are but which are insisted upon by the Minister. The shift of the center of control which the revision of 1922 and 1925 sought to effect has not altogether remedied this situation.²⁷

A similar difficulty exists in the relationship between the Governor General and the directors of the departments. According to the East Indian Government Act, the latter are subordinate to the Governor General and subject to his commands. As administration spokesmen

²⁶ Bergmeijer, "Zes jaar Volksraad-leven," *Indisch Genootschap*, 1925, pp. 31-50

²⁷ See chap. vii, "The Governor General's Office."

in the Volksraad they have no independent authority; they are simply trumpets of the administration. It not infrequently happens that a director must defend an ordinance which he has drawn up but which has undergone important changes as a result of modifications made by the Council of the Indies and accepted by the Governor General. The director must then defend the measure against arguments which he himself used against it before the Council. The Volksraad not infrequently knows this and finds satisfaction in restoring the original wording, thus to indicate its approval of the director as against the Council. Sometimes a director after retirement is seen vehemently opposing measures which previously he had as warmly advocated.

Governor General van Limburg Stirum in his declaration of November 18, 1918, had pointed out the need of a closer relationship between the administration and the Volksraad, and had promised steps in that direction. The Governor General and the directors of departments may address the Volksraad at any time, but the Governor General generally appears only to make the opening address of each session and the directors appear before the Volksraad only when measures belonging to the sphere of their departments are under consideration. A continuous contact did not exist, and to fill this need the Government established, provisionally in February, 1919, and definitely in June, 1920, the office of Government Spokesman for General Affairs in the Volksraad, whose duty it is to keep up a continuous personal contact between the Governor General and the members of the Volksraad and to explain and defend the general policies of the executive before the Volksraad. To promote this development on its side the Volksraad appointed a special committee, called the Link Committee.

Other weaknesses of the Volksraad have their origin in political and social conditions in the East Indies. Party life is still weak. Political groups are crossed and crisscrossed by racial, ethnic, economic, and religious lines. This is in part explained by the fact that party lines are in some degree carried over from Holland, where they are drawn along both economic and religious lines. Nineteen political groups

were represented in the Volksraad elected in 1939.²⁸ There has recently been a concentration of conservative Europeans in a new party, the Fatherland Club, and it may be that, in the future, concentrations will take place in both the right and the left. The social life of the East Indies also contributes to the weakness of the Volksraad. Among the Europeans there are very frequent mutations and the continuity in membership is short. Most Europeans make the East Indies their home only temporarily, their chief concern is naturally not political, but economic. And in Indonesian society little differentiation has yet taken place. Moreover, higher education was tardily undertaken and the number of educated Indonesians is small. Until now the official class, both European and Indonesian, has been the most abundant source of suitable and available material. A glance at the membership of the Volksraad reveals the number and importance of this class. The paucity of material is also indicated by the frequency with which Volksraad members are also members of provincial or municipal councils.

The objections to drawing upon the official class for legislative membership are obvious and yet it is difficult to see how it can be avoided within the near future. There have been complaints from these members that they have been called to book by their chiefs for what they had said and how they had voted in the Volksraad.²⁹ However, in spite of the many objections something may be said for officials as members of the legislative body in a colonial society. The

²⁸ The political composition of the Volksraad elected in 1939 was as follows: Political Economic Union, 1 European, 3 Indonesians, 1 non-native Asiatic (Chinese); Indo-European Union, 8 Eurasians; Indo-European Women's Organization, 1 Eurasian, Christian Political Party, 2 Europeans, 2 Indonesians; Indies Catholic Party, 2 Europeans; Fatherland Club, 4 Europeans, Association of Interior Administration Officials, 1 European; Economic Group, 4 Europeans; Association of Indonesian Civil Servants, 5 Indonesians; Indonesian Christian Party, 1 Indonesian, Indonesian Catholic Party, 1 Indonesian; Christian Peoples' Party, 1 Indonesian; Young Moslem Union, 1 Indonesian, Pasoeendan, 1 Indonesian, Nationalists, 5 Indonesians, Parinda, 3 Indonesians (the representatives of the four last-named parties constituted the nationalist bloc), Minahasa Party, 1 Indonesian; Chung Hua Hui, 2 Chinese, Tionghwa Indonesian Party, 1 Chinese. Without party were 2 Europeans, 6 Indonesians, and 1 non-native Asiatic, an Arab *Verslag van de commissie tot bestudeering van staatsrechtelijke hervormingen*, I, 90.

²⁹ See *De Locomotief*, Overzee editie, April 23-25, 1931

natives are not yet politically conscious, and the only counterweight to bureaucracy is freedom of criticism within a bureaucracy. Officials are among the few persons who can intelligently discuss government problems. They may also serve as a counterweight to the European population in the colony, which is generally reactionary. The powerful economic forces, such as the petroleum, shipping, sugar, and tin interests, generally receive representation, mostly by appointment by the Governor General.

The chief weakness of the Volksraad is undoubtedly its slight contact with the Indies community, primarily because of the peculiar nature of Indies society. The duration of the sessions is steadily becoming longer, with the result that many members who make their livelihood in business or the professions cannot remain until the end. As a result many measures are acted upon during the last weeks by a steadily decreasing number of members and the relative strength of the parties is changed by factors unrelated to changes in public opinion. The Government also contributes to the attenuation of the relation between the Volksraad and Indies society by its practice of transferring its officials who are elected or appointed to the Volksraad to the central offices at Batavia. This may be desirable from an administrative point of view, but the official thereby loses living contact with the geographical area or the specific population group he was elected or appointed to represent.

The Volksraad has also suffered from preoccupation with too many small and local matters. Improvement in this respect should come with further progress in decentralization. The sessions of the Volksraad in the last few years have been almost continuous, a fact which raises the question of the position and utility of the College of Delegates. If the Volksraad is going to be a continuous body there will be little justification for the College of Delegates. There has also been complaint that the Volksraad reserves all important matters for itself, leaving to the College only unimportant details. The selection of the College members by proportional representation has worked fairly satisfactorily, though not without some shifting in the relative

strength of the various groups.³⁰ Though there has been some discussion of the abolition of the College of Delegates, a resolution calling for a commission of investigation to study the desirability of its abolition failed by an overwhelming majority in the Volksraad.³¹

In spite of its problems and difficulties the Volksraad has acquitted itself well and has served a very useful purpose. It has enabled the Government to ascertain what is going on in the minds of the people and to explain, modify, and justify its policies. Even before 1927 the Government accepted a large number of amendments and adjusted a large number of complaints and other important matters upon demand of members of the Volksraad. And it has given the colonial bureaucracy a large measure of responsibility to the East Indian society, since it must now work in the open and may at any time be asked to explain and defend its doings.³² The position of a legislative body in a dependency is at best a trying one, little less so than that of the executive. The executive has two masters, for it cannot ignore a responsibility to the colonial legislature, while the legislature is in danger of oscillating between the extremes of a feeling of utter futility on the one hand and of unrestrained criticism on the other.

This feeling of ineffectiveness and uselessness became especially evident during the crisis years from 1931 to 1936 when the members of the Volksraad complained bitterly of its lack of influence with the Government. During this period, when the Government was vigorously forcing through a deflationary policy, the influence and prestige of the Volksraad undoubtedly suffered. The policy of the Government, which the leader of the Indo-European Union characterized as lacking in "social charity," was very unpopular with nearly all groups in the Indies, and the Volksraad opposed many of the Government's measures. Yet when the record of the conflicts between the Volksraad and the Government is examined, the role of the Volksraad is dis-

³⁰ See "Volksraad," *Encyclopaedie, Aanvullingen*, Afl. 16 en 17.

³¹ *De Locomotief*, Overzee editie, March 7, 1932.

³² For an evaluation of the first ten years of the Volksraad see van Helsdingen, *Tien jaar Volksraad arbeid 1918-1928*, and for the second decade, *Tien jaar Volksraad arbeid 1928-1938*, by the same author.

covered to have been far more decisive than is generally assumed. In the period since 1927, when the Volksraad was clothed with legislative powers, to 1941, the Government applied the reconsideration, the so-called long-conflict regulation, only twenty-one times, and the so-called short-conflict regulation, which gives the Governor General the power to issue emergency decrees upon his own initiative, fifteen times. Of the twenty-one times that the Governor General asked for reconsideration of a rejected measure, agreement between the Government and the Volksraad was reached in sixteen, frequently after important concessions from the side of the Government, and in only five did the measures become law by intervention of the Crown. Thirteen of the emergency decrees issued by the Governor General on his own responsibility date from the economic crisis years 1932-1937, and the remaining two from the international crisis of 1940-41. Against these occasions upon which the desires of the Volksraad were ignored must be placed the more than 500 Government bills which reached the statute books with amendments offered by the Volksraad and accepted by the Government or which did not become law because the Government acquiesced in the negative judgment of the Volksraad. During this same period, the Government accepted 37 of the 92 Volksraad amendments to budget bills.³³

The power of initiating legislation was used infrequently—only six times in the fifteen years 1927-1941 inclusive. On three of these occasions the Government accepted the proposed legislation and placed it on the statute books.³⁴ The right of petitioning the Government was also sparingly used. Throughout the course of its life the Volksraad issued sixteen petitions, many of which were answered favorably after a shorter or longer period.³⁵ A favorite device of the Volksraad was the adoption of resolutions—461 in the period 1927-1941.³⁶

³³ *Tien jaar Volksraad arbeid 1928-1938. Verslag van de commissie tot bestudeering van staatsrechtelijke hervormingen*, I, 116-120.

³⁴ *Ibid.*, pp. 120-121.

³⁵ *Ibid.*, pp. 121-122.

³⁶ *Ibid.*, pp. 122-123.

Chapter IX

GOVERNMENTAL REORGANIZATION

FEW PHASES of East Indian policy have received the long and careful preparation which has been expended upon the problem of governmental reorganization. Yet no phase of East Indian policy has ever been carried out with greater uncertainty and vacillation. For years the policy has been a bone of heated controversy, and today, several years after the completion of the reorganization of the governmental structure in Java, the debate goes on more warmly than ever. The reconstruction in Java has been widely regarded as a failure and for that reason proposals for the reorganization in the Outer Islands have been subjected to careful scrutiny and the principles of reorganization have become the object of renewed debate. It is indeed a vexing problem which confronts the Government, and one fraught with tremendous importance for the future.

THE OLD ADMINISTRATIVE ORGANIZATION

The East Indian Government remained highly centralized and bureaucratic until very recent years. The weal or woe of the whole country was disposed of, even to the smallest details, by one man at the center, the Governor General. It was only in the villages and the small Indonesian states that any traces of decentralization or democracy could be found. In Java the European administrative hierarchy supposedly rested upon the regency, a semi-indigenous juridical community, but in reality the control of the European corps penetrated down into the districts of the regency.

Immediately below the Governor General, and representing his authority in a wide field of activities, stood the Resident, aided by several Assistant Residents. The Resident was a ruler in the full sense of the word, as he exercised a variety of functions. He combined administrative, minor legislative, judicial, and fiscal functions. He had to be a planter, a road builder, engineer, police judge, notary public,

registration officer, and much besides. Originally he was not merely the executor of the orders from Buitenzorg; he also had a large field for his own initiative. His tasks gradually became too much for one person. With the increasing economic development of the country greater demands were made upon his technical knowledge and ability. The inevitable result was the steady extension of the work of the technical branches of the Central Government, while the Resident saw his most important and independent activities taken from him. More and more he became an official exclusively devoted to carrying out the instructions of the central bureaus. The natural result was an overburdening of the Central Government. This was the situation about 1900 when the reform period broke.

The Assistant Resident stood at the head of a subdivision of the residency, an administrative area which generally corresponded with the regency. He exercised all the functions of the Resident except that of legislation, and, at least officially, the contact between the European and the native administrative corps took place at this point. Assistant Residents constituted the lowest branch of the European administrative corps having an independent sphere of action. The Assistant Residents, in turn, were aided by Controleurs, who theoretically had no independent sphere of action; they were supposed merely to collect information and execute the orders of their superiors. In fact, however, the Controleurs stood at the head of the native administration. Their daily contact with the native officials gave them an authority before which legal restrictions gave way.

Such was the formation of the European administration in Java and Madura. The organization in the Outer Territories differed from it in two important respects: first, the Controleurs legally enjoyed an independent sphere of action, thus carrying the contact between the European and native corps a step closer to the people; and secondly, the ancient institution of Regent was not found outside of Java and Madura.

At the head of the native administrative corps in Java and Madura was, and still is, the Regent, a semifeudal official. The administrative

area over which he presides is called a regency, and covers an area of about 650 square miles, and now averages about half a million people. The Regent is assisted by the *patih*, who in case of sickness, death, or absence of the Regent discharges the duties of the office. The Regent can at all times charge the *patih* with such functions as he sees fit and in many regencies the *patih*s do most of the actual work. The regencies are divided into districts, each with an official called a *wedono* at its head. The districts are divided into subdistricts, presided over by assistant *wedonos*. The native administrative officials have no legislative power. In the Outer Islands the district and subdistrict heads go by various names. Below the subdistrict heads stand the villages, whose administrative organization is purely indigenous.

DECENTRALIZATION LEGISLATION OF 1903

The need for administrative decentralization was generally recognized before 1903, but wide differences of opinion concerning the forms which it should take delayed its execution. The proposals at first envisaged primarily administrative decentralization, but the increased demands of the European inhabitants and the gradual awakening of Indonesian society led to a shift of emphasis. More and more the question of popular participation in regional governments came to the foreground in the discussions. Minister van Dedum in 1893 proposed legislation making possible the creation of regional councils and some measure of financial decentralization, but his bills fell with the dissolution of the Chambers in 1894. When, finally, decentralization legislation was passed in the course of Minister Idenburg's first term of office, the proposals for local councils were coupled with control over local finances; in each case financial decentralization was made dependent upon the establishment of a council. Specifically, the decentralization law opened up the possibility of a measure of autonomy for the residencies or divisions thereof, with power to look after their own special needs and with funds at their own disposal. Upon the basis of this law and the royal decrees based upon it, three kinds of councils, altogether some sixty in number, were created: (1) re-

gional or residency councils; (2) subresidency or local councils, and (3) urban communal councils.

The practical results of the Decentralization Act of 1903 have in the main been disappointing. A first criticism of this decentralization was directed at its undemocratic character. A large number of the councilors were ex-officio members, and even the private members were appointed. The only elective members were found in the urban communal councils, and even here only the Europeans were at first elective. The regional councils could never develop into an intermediate unit of government, for the areas they served were too small for regional and too large for local governmental units. The residency governments could not be equipped with the technical apparatus and personnel required for larger regional work. Another reason for the failure of the regional councils to develop into vigorous bodies was to be found in their lack of financial resources. Only the urban councils really developed into vigorous governmental bodies.

DECENTRALIZATION LEGISLATION OF 1922 AND 1925

Briefly stated, the East Indian regional governmental structure in 1922, at the time of the passage of legislation providing for far-reaching reorganization, was as follows. The country was divided into thirty-six regions, each under a regional head. The fifteen regional heads in Java and Madura all carried the title of Resident. In the Outer Islands, on the other hand, there was some differentiation of title. Besides fifteen Residents there were three Governors and one Assistant Resident as heads of regional administration. The Assistant Resident as head of regional administration was found on the island of Billiton, a rather unimportant area from the point of view of administration.¹ The title of Governor was given in three instances because the administrative areas involved were regarded as more important than the others by reason of (1) the difficulty of pacification (Acheh), (2) economic importance (East Coast of Sumatra), or (3) extent of territory

¹ Billiton is the island on which the most important tin mines of the Dutch East Indies are found. The population is not large enough to warrant making the regional head a Resident, and yet the island could not be easily made part of another residency

(Celebes). While the regional governments had at one time a large sphere of independent authority and carried on varied activities, with the development of the technical services of the Central Government these activities had been transferred to it one after another. The inhabitants of the regions exercised little influence on the government. About sixty regional and local councils had been formed, but except for the municipal councils their membership was largely appointive and official.

The time had clearly arrived for decentralization on a large scale on the basis of large governmental areas, while the rapid social development of the Indonesian people made necessary a wider popular participation in government. The governmental reorganization therefore had two aspects, administrative and political. Legislation for setting up large intermediate units of government was enacted by the States General in 1922, after years of preparation. Mr. S. de Graaf, who was then Minister of Colonies, a decade before had been charged as government commissioner to draft plans for the proposed reorganization. His recommendations, submitted in 1914, provided only for administrative decentralization and were unacceptable to Parliament. The legislation as finally passed provided also for political reforms, but the known leaning of Minister de Graaf to administrative rather than political reform caused a widespread distrust of his purposes, both in Parliament and out. The Administrative Reform Law of 1922 took the form of four amendments to the East Indian Government Act.

In large outline, the law prescribes the division of the East Indies into (1) provinces and (2) other districts, this division to take place by ordinance. In the execution of the plan the administrative reorganization takes place first, and during this transition period the newly erected governmental unit is called a "government." When, finally, political authority is transferred from the Central Government to the new autonomous unit with its representative body, it becomes known as a province. In execution of the plan Java was divided into three areas, West, East, and Central Java, which became full-fledged provinces in January of 1926, 1929, and 1930, respectively. The

government of the Moluccas was instituted on January 1, 1926, but because of the backward social conditions prevailing in most of its territory this government has not yet been elevated to the status of a province.

On the administrative side the changes brought about by the governmental reorganization of Java are not inconsiderable. Exclusive of the Indonesian states of Central Java³ there were in 1930 three Governors where formerly there had been fifteen Residents, and thirty-eight Residents where formerly there had been eighty Assistant Residents, and a proportionate reduction in the number of Assistant Residents from the previous number of Controleurs. By an ordinance of 1931 the number of Residents was further reduced to nineteen. The total number of administrative officials declined from 222 in 1922 to 150 in 1933. The Governors are glorified Residents with a much enlarged territory, while the power of the present Residents is less than that of the former Residents but greater than that of the former Assistant Residents. The latter have lost their independent administrative authority. The rank of Controleur was dropped from the administrative corps in Java. The Governor is the agent of both the Central Government and the province. He is appointed and removed by the Governor General.

The government of the province consists of the Provincial Council, the Board of Deputies, and the Governor. The composition of the Provincial Council is very much like that of the Volksraad and is composed of three racial groups: Netherlanders, Indonesians, and nonindigenous Asiatics. The ordinance creating the province prescribes the number of members and also their allocation among the racial groups. For the province of West Java the total membership is 45, distributed as follows: 20 Netherlanders, 20 Indonesians, and 5 nonindigenous Asiatics. Of this membership 11 Netherlanders, 13

³ With the beginning of the reorganization in Java the two Residents stationed at the capitals of the four Native States (two of the states have their capital at Djokjakarta and the other two at Surakarta) were elevated to the rank of Governor, thus making five Governors for Java and Madura.

Indonesians, and 3 nonindigenous Asiatics are elected, while the others are appointed by the Governor General. There are no official members. The elected members are chosen by the members of the regency and municipal councils found within the province. For the election of the Dutch and nonindigenous Asiatic members the province forms one electoral district, while the Indonesian members are chosen by electoral districts, each comprising a residency.

The Provincial Council may legislate with respect to such subjects as have been delegated to it by the Central Government. Tax laws and joint regulations between two or more provinces require the approval of the Governor General. This approval may also be demanded by ordinance for other stipulated subjects. Moreover, the Governor General has the power of suspending and vetoing acts of the Council whenever he considers them to be in conflict with the general interest or some law or ordinance.

Though not prescribed by it, the East Indian Government Act assumes that in each province there will be a Board of Deputies.* Only in places where, in the opinion of the Council, circumstances do not permit it will this institution be absent.⁴ This Board, found in the three provinces so far created, is elected by the Councils. In electing the Deputies the Council is not restricted to its membership; indeed, all the Deputies may be chosen from persons not in the Council. The number of Deputies may range from two to six; the Council itself determines the exact number within this range. Each new Council chooses its own Board of Deputies. They receive a salary fixed by the Council and subject to approval of the Governor General. The Council issues the regulations governing the Deputies in the exercise of their powers, which regulations likewise require the approval of the Governor General. The Board of Deputies has a wide range of functions. It is charged with the daily administration of the provincial government. Among the diverse activities the following may be mentioned:

* This interesting governmental institution, found also in the Volksraad and in the regency councils, was borrowed from the municipal and provincial governments of the Netherlands.

⁴ East Indian Government Act, Art. 119.

preparation of the agenda of the Council; the execution of the Council decisions; the settlement of administrative disputes; the fixing of salaries and wages; coöperation in the execution of regulations of the Central Government; and supervision over the regency and municipal councils. The Deputies are individually and collectively responsible to the Council.

The Governor is appointed by the Governor General upon consultation with the Council of the East Indies. In case of sickness, absence, or inability of the Governor the Board of Deputies names one of its members as his temporary successor. The Governor presides over both Council and Board of Deputies, but he executes only such decisions as these bodies entrust to his care. As agent of the Central Government he has its servants at his disposal, and as the agent of the provincial government he may command the provincial civil servants. As the representative of the Central Government he exercises a general supervision over the work of the Council and Board of Deputies. As such he brings to the attention of the Governor General such acts of these bodies as he deems to be in conflict with law, ordinance, or the general interest. If the Governor General does not suspend or veto the law within three months, the Governor must proceed with the execution of the decision. He has a double responsibility: for his duties as representative of the Central Government he is responsible to the Governor General; for the daily policy and administration of provincial affairs he is responsible to the Council.

THE AUTONOMOUS REGENCY

That the indigenous population should be left as much as possible under its own heads is accepted as a cardinal principle of colonial policy by conservatives and liberals alike. This is the so-called policy of indirect rule, or the protectorate policy. In the chapter on "Native States" (chap. x) the policy of the Dutch with respect to this matter is traced. About 7 per cent of the area of Java and slightly more than 50 per cent of the area of the Outer Islands has been left under its own rulers. Outside of the four sultanates, or "self-governing princi-

palities" the Dutch have followed in Java a policy of "semi-indirect" rule, by means of the ancient Javanese officials known as Regents.

The East Indian Company was not interested in people, but in products. It established relations with the Regents, but only for the purpose of obtaining products; for the rest, the Regents enjoyed a wide autonomy.⁸ The shift to a territorial basis was completed only in the time of Daendals (1809-1811) and one of the inevitable results was a diminution of the position of the Regents. They became officers of the East Indian Government and were placed under the autocratic command of the Residents. The Javanese masses were not unaware of the change that had taken place in the position of the Regents, and the feeling that they were no longer their representatives gained ground. However, the influence of the Regents with the people was not altogether lost, and during the Java War (1825-1830) they rendered excellent services to the Netherlands. With the introduction of the culture system a little later, the authority of the Regents was again needed and utilized. About 1850 the policy with respect to the Regents came to a head. There were two schools of thought. Those who regarded the East Indies solely as an object of exploitation thought it wise to control the native people through their own chiefs, and those who regarded native welfare as an important phase of Dutch policy felt that support ought to be sought directly from the people. The East Indian Government Act of 1854 represents a compromise between these two views.⁹ In explaining this article in the Act of 1854 the Government declared that whereas the people of the Indies Archipelago had lived in an orderly society before the arrival of the first Europeans, the native population should continue to be governed in conformity with its ancient institutions and customs, so far as they did not run counter to the immutable prescriptions of justice; that

⁸ See B. Schrieke, *De inlandsche hoofden*, for a good history and description of the native heads.

⁹ Djajadiningrat, member of the Council of the East Indies, states that the Dutch had failed to win the people by protecting them against their heads, and that the East Indian Government Act of 1854 embodies the policy advocated by van den Bosch, that of trying to win the loyalty of the native heads. "De positie van de regenten op Java en Madura in het huidige bestuursstelsel," *Indisch Genootschap*, 1929, pp 83-104

the population should be left so far as possible under the immediate leadership of its own heads, subject always to precautions against abuse and neglect; and that the attachment of the heads to the Dutch Government should be maintained and strengthened.⁷

The shift toward a more liberal colonial policy after 1860, however, led to the further diminution of the position of the Regents. The new policy required a greater intensification of administration, and this in turn forced the Dutch Government to raise the qualifications of its colonial officials. The Regents were insufficiently trained to meet the new demands, and as a result the Residents tried to rule without them. The policy of educating the prospective Regents, which was begun in 1879, came too late. The prestige of the Regents declined, especially with the introduction of large-scale Western enterprises after 1900. On the one hand, the Western tempo increased the tendency to relegate native administration to a subordinate position; and on the other hand, the growth of capitalism and the extension of education brought into existence new social classes which were basically hostile to the semifeudal administration. One of the chief purposes of the governmental reorganization of 1922 was the emancipation, or, as the Dutch put it, "deguardianization," of the native administrative corps, but the rise of a new social elite—the intellectuals and the class of small entrepreneurs—made necessary a new orientation. The emancipation of the native administrative corps became linked with democratization of the regencies.

The Regency Ordinance, which became law in 1924, gave the regencies a governmental structure closely resembling that of the provinces. It provided for a Regency Council, and for a Board of Deputies chosen by the Council, with the Regent as chairman of both. The Council is composed of Netherlanders, Indonesians, and nonindigenous Asiatics, but the ordinance expressly stipulates that the Indonesian members must form a majority. As a matter of fact the Dutch are given only a few seats. A number of the Indonesian members are elected; the remainder, as well as all Dutch and nonindigenous Asiatic mem-

⁷ J. Schrieke, *De Indische politiek*, p. 8.

bers, are appointed by the Governor General upon recommendation of the Regent. In order to create contact between the illiterate population and the Council the elective members are chosen indirectly, through electors. All who in the previous year have paid government, provincial, or regency taxes may vote for electors, who number about one to each 500 of the population. The voting is secret and on the basis of proportional representation.

The regency has functions similar to those of a county in the United States. Incorporated cities are excluded from its jurisdiction, however. The Regency Board of Deputies exercises supervision over the village governments just as the Provincial Board of Deputies exercises supervision over the regency governments. The Regent presides over the Council and also over the Board of Deputies, which is chosen by the Council to assist the Regent in the daily administration. As an official of the provincial government he is responsible to the Governor and as an agent of the Council he is responsible to that body. The Board is individually and collectively responsible to the Council. As an official of the Central Government the Regent must refuse to enforce any decision of the Council which is in conflict with an ordinance, provincial regulation, or the general interest. Within three days he must notify the Provincial Board of Deputies of his action. If the Governor General fails to suspend or veto the action of the Council, the Regent must carry out the decision of the Council. Joint regulations with other autonomous communities and the creation of penal offenses require the approval of the Provincial Board of Deputies, while tax measures require the approval of the Governor General. From the veto of a Council measure by the Provincial Board appeal may always be made to the Governor General. The Resident is charged with supervision over the work of the Regency Council and he may at all times make such recommendations to the Provincial Board as he deems necessary. The latter body may at any time carry acts of the Regency Council to the Governor General with recommendations for suspension or veto.

On its administrative side the governmental reorganization has

meant a partial withdrawal of the European corps. The Controleurs have been dropped in Java and Madura and the Assistant Residents are now supposedly no more than reporters to the Resident.

URBAN MUNICIPALITIES

It was not until 1905 that the first municipalities were created. The Decentralization Law of 1903 had made possible their creation, but the necessary ordinances and decrees for the execution of this law were not issued until 1905. Before this time the cities were governed by the administrative corps. The early years of the municipalities were very difficult, as the transfer of functions and powers to them took place very slowly and niggardly. The central authorities were especially slow in granting sufficient financial power, without which the activities of the municipalities could not of course develop. The governmental reorganization of 1922 and 1925 has not greatly affected the municipalities. By the new legislation the municipalities were made to fit into the reorganized governmental structure, where they occupied a position like that of the regency. The composition of the Municipal Council differs from the Provincial and Regency Councils in that all of its members are elective. The Mayor, like the Governor and the Regent, serves in a double capacity. He is both an official of the Central and provincial governments and of the Municipal Council. Like the Regency Council, the Municipal Council stands under the preventive supervision of the Provincial Board of Delegates and the repressive control of the Governor General.

GOVERNMENTAL REORGANIZATION OF THE OUTER ISLANDS

The general dissatisfaction with the reorganization of the government in Java made the question of the reorganization of the government in the Outer Islands a highly controversial subject. But the Government pressed its plan for the early reorganization, for several reasons. First of all, the extension of effective control over the Outer Islands during the previous forty years and the intensification of administration everywhere made decentralization imperative. Even

after the reorganization in Java and Madura and part of the Outer Islands⁹ the Central Government still had to maintain continuous contact with 23 district heads, 5 in Java and 18 in the Outer Islands. This made adequate leadership and supervision over administration impossible. Furthermore, it was hoped that the reorganization would bring about much-needed economies. The rapid development of the people in Sumatra is probably a third reason.

The Government proposals for reorganization of the Outer Islands have not had an easy course. In 1928 the Government introduced a bill in the Volksraad for instituting a government of South Sumatra, but when the Volksraad adopted a resolution asking the Government to prepare a systematic plan for the reorganization of all Sumatra, thereby indicating its dissatisfaction with the fragmentary plan provided in the bill, the Government withdrew its measure. Early in 1931 the Government submitted a new proposal providing for the division of the Outer Islands into one province (Sumatra) and two governments (Borneo and the Great East) and the creation of a large number of autonomous group communes within these large divisions. The Volksraad approved the plans for the substructure but could reach no agreement on the superstructure. The question came up anew in the newly elected Volksraad which met in the fall of the same year. A resolution was passed expressing approval of the plans for the organization of the substructure but requesting the division of the Outer Islands into three governments. By accepting this resolution the Government dropped that part of its plan which called for the immediate creation of a province of Sumatra. In the new plans Sumatra will provisionally have the status of an administrative and not a political unit. These proposals finally received the approval of the States General in the early months of 1932, but not until after the Minister of Colonies threatened to resign his portfolio. The three governments of Sumatra, Borneo, and the Great East were finally instituted on July 1, 1938.

⁹ In 1926 the government of the Moluccas was set up. Its territory includes the Moluccas, Halmahera, and New Guinea. It was purely an administrative reorganization.

The most important characteristic of the plan is its acceptance of existing native institutions and historical developments and the endeavor to build upon them. It means a reorganization from the bottom up and not from the top down. In this respect the Government plan follows the suggestions urged by van Vollenhoven in season and out of season for a number of years.⁹ It involves the recognition, restoration, and strengthening of indigenous customary-law communes and larger ethnical groups. Where the communes are too small for effective administration the gradual development of group communities or confederations will be encouraged. Councils will be attached to these local governments and the natives given as wide a participation in them as possible. No great change is contemplated in the administrative organization. The Government's plan called for an immediate transfer of authority from the lowest rank of the European corps, the Controleurs, to the native corps, but opposition from the floor of the Second Chamber caused the Minister to make a concession. The Controleur will remain the head of the local administration. This concession was made after the Minister threatened to resign. As a result little real emancipation of the native administrative corps can be expected in the near future. By 1941 three such ethnic municipalities, each with councils, had been instituted, namely, Minangkabau (Sumatra), Bandjar (Borneo), and Palembang (Sumatra).

The heart of the reorganization plan for the Outer Islands is found in the group communes and ethnic municipalities. They will have a far larger task than the regencies of Java. Indeed, many of the functions assigned to the provinces in Java will go to the group communes in the Outer Islands. These include local care of irrigation, public health, veterinary service, agricultural information, and folk and standard education. The regencies in Java have been given so little power that they have little possibility of developing into vigorous governmental bodies. While each of the three racial groups will be represented in the councils to be instituted in the group communes,

⁹ "Deconcentratie van het regeeren overzee," *Koloniaal Tijdschrift*, XVIII, 99 ff., and "Sumatra-Hervorming," *Economisch-Statistische Berichten*, September 10, 1930.

the Indonesians will be given an overwhelming majority of the membership. The group-commune governments will not have supervision over the municipal councils. The first group-commune government was set up in 1938 in the Minangkabau region of Sumatra.

The reorganization of the Outer Islands will thus proceed upon quite different lines from those which were followed in the reorganization of the governmental structure in Java and Madura. Reorganization will proceed from native institutions at the bottom and will gradually work upward. The reorganization of the Outer Islands will consequently be marked by a lesser uniformity. The governments of the group-communes will be given a far more generous delegation of powers than were granted the regencies in Java. The regencies, municipalities, and provinces in Java have had their development impeded because they have been too dependent upon the Central Government for their finances. The Government has declared that it will not change the administrative units in the Outer Islands into autonomous governments until definitive regulations with respect to the financial relations between the two governments shall have been established. The institution of provinces will also be made to wait upon future developments.¹⁰

PROBLEMS AND CRITICISM OF THE REORGANIZATION

The governmental reorganization so far accomplished has been much and vehemently criticized. It is felt by many that former Minister de Graaf, who as an East Indian official years before drafted plans for administrative decentralization, had at heart only an official or administrative decentralization, but that Parliament forced him into a half-hearted political decentralization. By official reorganization is meant a regrouping and integrating of the administrative corps in such a way as to leave fewer European officials at the top and to withdraw the European corps from the bottom, thus leaving greater room and freedom for the native corps. As a result of the reorganization in Java

¹⁰ For an illuminating discussion of the projected reorganization of the Outer Islands, see Ruckert, "De doorvoering der bestuurshervorming in de Buitengewesten," *Koloniale Studiën*, December, 1931.

the Governor General has to deal with only four Governors where formerly he had to deal with seventeen Residents. The advocates of political reorganization, on the other hand, desire the creation of lower governmental organisms and the transfer to them of a large part of the former task of the administrative corps.²¹ The two plans, it is held, coincide only negatively; affirmatively they conflict. The failure of the two plans to harmonize vitiates the effectiveness of the present organization. The European administrative corps, so it is charged, rules as effectively since the reorganization in Java as before, only it rules from behind new façades.

Complaint over the slowness of the transfer of real power and tasks from the Central Government to the lower units has been universal and has even cropped out in government documents.²² So few matters of importance had been transferred that van Vollenhoven in 1929 publicly expressed a doubt whether the reorganization since 1922 had lightened the burden of the Central Government by as much as a feather's weight!²³ One meets with various explanations for the lack of progress in decentralization. Officials on the line often assert that it is due to the unwillingness of the bureaucrats at the capital to lose control and their fear of being compelled to move to an outlying provincial seat. Others again assert that the politicians in the Volksraad in spite of their loud protestations are lukewarm about a thorough-going decentralization, as they wish to keep the functions of government concentrated at Batavia, where they can control them. The Government states, in defense, that the new units had to be created and that the transfer of authority had at first to be made cautiously. The whole matter was an experiment, and to proceed too rapidly was to invite chaos. There was also criticism that there was in reality too little actual emancipation of the regencies and that the Provincial

²¹ See van Vollenhoven, "Sumatra-Hervorming."

²² "The task of the province was in no respect enlarged during the year, nor need we count on an extension for 1930; the transfer of a part of the task of public health and of education still remains a pious wish . . ." *Provinciaal Blad van West Java: Officieel Nieuwsblad der Provincie West Java*, October 15, 1929

²³ *Koloniaal Tijdschrift*, XVIII, 227.

Board was showing too much inclination to meddle in regency affairs. As a matter of fact, the Regency Councils can enjoy only as much freedom as the Provincial Board of Deputies is willing to grant them. The regencies have been dependent upon the larger units for part of their finances, and by means of conditional grants the higher bodies have been able to maintain an extensive control over purely local matters. In 1931 the Central Government ceased giving subsidies to regencies and municipalities. It was hoped that the Central Government would partially withdraw from the present sphere of taxation, to the advantage of the local units. Even the provinces have been dependent upon Central Government subsidies. For the first two years the Central Government made up the deficits of the province and regency budgets, and instead of finding it an advantage as a means of control it discovered that it was a distinct disadvantage, for the pressure for expansion was so great that the Central Government could do nothing but meet the deficits, however large. It therefore changed its policy, and until a division of the tax sources can be worked out will grant the provinces only fixed subsidies. The division of taxes so that each government may have its own independent finances is an extremely difficult problem, for the economic life of the country is so variegated. There are districts, like the East Coast of Sumatra, which have huge surpluses of public revenues, while others, like most of the eastern part of the archipelago, are a drain on the central treasury.

The Government made the mistake of not drastically decreasing the personnel of the European administrative corps in the reorganized territory. By keeping the same number of officials and by dropping the lowest rank it really defeated its purpose of emancipating the Indonesian corps. A strict adherence of the Assistant Residents to their instructions would leave them less than nothing to command, and they must wait some 15 or 18 years before they become Residents and have any independent sphere of action and authority. The natural tendency, therefore, is for the Assistant Residents to exercise control in violation of the letter of their instructions. As a result, members of

both European and native corps were dissatisfied: the one group because they had no satisfying sphere of activity, the other because they were too closely supervised. This, too, is no easy problem. The Government cannot retreat from its plan of emancipation and yet it must keep up the attractiveness of the corps. By an ordinance of 1931 the problem was partly solved. The number of Residents was reduced to 19 and the division of authority between the two corps more sharply outlined. By reducing the number of men at the top a bit more authority could be given the Assistant Residents. Djajadiningrat, a former Regent and now member of the Council of the Indies, an Indonesian of rare statesmanlike qualities, suggested as a partial solution to this problem that the young *Controleurs* be temporarily attached to Regents and set to work at the regency office for a few years.

Until now the Governors have been chosen from the administrative corps. For building up incentives within the corps this may be desirable, but for obtaining fresh, statesmanlike qualities it may not be the best method. The East Indian Government would do well to consider the wisdom of appointing leading men with large political views from Dutch political life to serve as Governors. Indeed, suitable men for these positions are now also available in East Indian society, both European and Indonesian.

Reference has already been made to the education of the native officials. The position of Regent is semihereditary. Subject to conditions of ability, energy, honesty, and faithfulness, as the East Indian Government Act has it, the successor to a Regent is chosen from among his sons or near relatives. Now the new political currents are increasingly flowing around the semifudal Regent. The movement to democratize the regency was an effort to tie up the old feudal official with the new social classes. But unless the Regent is a well-educated man and an able person he will lose all authority. The Regent must preside over the Council and its Board of Deputies, in which are found university-trained men. Unless he can hold his own against these men his traditional authority will soon be dissipated. It may even be doubted whether a semihereditary official can ever be

popular with the nationalists. Higher educational qualifications will have to be set for the native corps, especially now that their authority is to be increased. Unfortunately, the more promising descendants of the native ruling classes are turning away from an official career, even though the East Indian Government Act guarantees them a certain right of hereditary succession. Like other native intellectuals they demand freedom and equality, and are turning to other fields where they feel they can achieve this better and more freely.²⁴

How little differentiation there still is in East Indian society can be seen from the membership of the various councils. A comparison of the membership of the various councils, including the Volksraad, reveals a large duplication and even triplication of names. Not only that, but a startlingly large percentage of the members are Government officials. Of 18 elective native members of the Regency Council of Bandoeng no fewer than 13 are Government officials. One explanation of this odd phenomenon is found in the fact that several Indonesian parties are noncoöperative, thus narrowing the selection.

There are great difficulties in the way of decentralization and democratization in a country like the Dutch East Indies, and these difficulties ought to be mentioned, even while admitting the justice of most of the criticism. There is first of all the long tradition of centralization. All the forces in the governmental organization for a century and a half have been centripetal. This trend is not reversed in a day. Moreover, the metropolitan country is small and administratively highly centralized. It is not strange that the Dutch should have little feeling for the thoroughgoing political or administrative decentralization required by a country like the East Indies. The local councils are a recent development and still weak and the Central Government naturally hesitates to entrust them with many or important tasks. Like all tropical countries the Dutch East Indies is relatively poor. Grave financial problems must be solved at every step. There is also a dearth of trained personnel for the provincial and local governments. There was especially lacking a technical staff sufficient for

²⁴ See B. Schrieke, *De inlandscbe hoofden*.

decentralization. There is finally the necessity of keeping up administrative standards. The Dutch East Indies is a tropical country and Java is overpopulated. A lowering of the high standards set by the administrative and technical corps under centralized control would be attended by no little danger. Failure to protect public health or to maintain a high level of agricultural production might easily prove disastrous. It is not a simple matter to turn over to a people which only recently began to show signs of intellectual and social awakening, a highly complicated system.

What form the East Indian governmental system will ultimately take—federal or unitary—is a question which has often received incidental discussion but one which is left in abeyance for the present. Ritsema van Eck and Colijn have been the two foremost proponents of a federal system.¹⁵ The geographical formation of the East Indies into several large islands, most of which are surrounded by numerous little islands, and the great distances which separate them, as well as great differences in ethnology and general development, naturally cause this question to arise. Colijn argued in 1918 that the Volksraad was built up not on historic units, but upon an abstract unitarian ideal. He urged that provinces should first have been established, next island governments, and ultimately a federal council, resting not upon individuals but upon island governmental units. The possibility of the development of a full parliamentary system ought to be freely accepted for the lower units of government and even for the island provincial governments, but the central or federal government would have to remain indefinitely under Dutch leadership and control. Colijn also pointed out the danger that, under a unitary system, one people, the most numerous people, would rule all the others. The federal system would also make it possible for each island to develop as rapidly as its own conditions permitted.¹⁶

The Governor General's revision commission in its report of 1920

¹⁵ "Deconcentratie van het regeeren overzee," *Koloniaal Tijdschrift*, XVIII, 99 ff., and "Sumatra-Hervorming."

¹⁶ Colijn repeats essentially the same arguments in his book, *Koloniale vraagstukken van beden en morgen*, 1928, but strangely never uses the word "federal."

declared itself opposed to the ideal of a federal system. It pointed out that the historical bases for it were lacking and that the islands and island groups were widely separated only geographically, and that political and economic differences were as great within as between them. Proposals of a federal system are now generally stigmatized by Dutch liberals and Indonesian nationalists as a scheme to fasten upon the East Indies a divide-and-conquer system. But such characterization does not go very far in solving a problem inescapable in the future.²⁷ At present Java contains two-thirds of the population of the entire East Indies and a unitary system will mean government by Javanese. A combination of all the other peoples would not be able to stay a Javanese majority. No doubt in the future the population of the Outer Islands will increase more rapidly than the population of Java, but the lead of Java is safe for a long time to come. As the Outer Islands develop, antipathy toward a Javanese-controlled Volksraad may confidently be expected.

Former Governor General van Limburg Stirum, an advocate of the federal idea, stated the problem as follows:

The Volksraad will probably lose in influence in proportion as the development of the Outer Islands progresses. This process is, however, not of a day. A control over its destinies by a more numerous Java, because more strongly represented in the Volksraad, will in the long run be unacceptable to certain parts, at least, of the East Indies. Nor is it self-evident that the people of the most thickly populated island can guide the growth of the sparsely populated and little developed sections of the East Indies better than the Dutch paramount authority. The political development of the East Indies in a federative sense must be kept open for the future, in which the life-giving power which proceeds from an organizing of the East Indies as a unity must not be lost sight of.²⁸

²⁷ See *Federatieve staatsbouw. een vraagstuk voor Nederlandsch-Indië*, by Hunger

²⁸ *De Gids*, 1925, pp. 336-337.

Chapter X

NATIVE STATES

THE East Indian Government was from the very beginning empowered to wage war, to make peace, and to enter into relations and make "contracts" with "princes" and "potentates" in the name of the States General of the United Netherlands. The exercise of this power over the course of the three centuries of Dutch rule in the East Indies has resulted in bringing this vast territory under Dutch sovereignty, partly under direct government and partly under indirect government through protectorates. The territory of the native states, or the indirectly governed territory, constitutes slightly over half the area of the Outer Territories, but only about 7 per cent of the area of Java. With respect to population the importance of the native states is much less; only about one-fifth of the population of the East Indies is under their jurisdiction. In all there are 282 native states,¹ 278 in the Outer Territories and 4 in Java. They differ greatly in size and importance, from the widely known "principalities" of Java to the small states of Acheh and Timor, where an illiterate "prince" rules over a few primitive villages with a total population of a few hundred souls. But even the largest of the Javanese states has a population of less than two million.

BRIEF HISTORY OF DUTCH POLICY

The relationship between the Netherlands and the self-governing states has taken many forms in the course of a long historical development.² In the early days of the East Indian Company the relationship was on a basis of equality, and in a few states even of inequality on the part of the Company, as when the latter placed itself under the protection of a native prince. Later, treaties of alliance were made

¹ The Dutch use various terms in speaking of the native states, such as "self-governments," "native self-governments," and "principalities"

² See article "Zelfbesturen (Inlandsche)," *Encyclopaedie*, IV, 826 ff., and Colijn en Stibbe, *Neerlands Indië*, II, 21 ff.

between the Company and some of the states, and the relationship between the two was that of confederates against other states. Later still the Company began to exercise some authority in some of the native states, but only on the basis of agreement. In the 18th century the relationship changed, as the character of the Company gradually shifted from that of merchant to ruler. The native states now began to take a position of vassalage. The last example of an international state was Aceh before the Aceh War, which began in 1870. Thus the position of the native states was gradually reduced from that of an international state to a subordinate part of the Dutch East Indies, while the relationship between the East Indian Company and the Netherlands and the native states also shifted more and more from a bilateral to a unilateral basis.*

Such was the relationship when the Government took over the administration at the end of the 18th century, and such it remained in form until the end of the 19th century. In practice, the power of the vassal was steadily lessened, so that in fact the relationship had become such that the so-called contracts really became mere acts of investiture, whereby the Government invested the vassal in his office only under certain conditions, and promised to maintain him in it only so long as these conditions were lived up to. However, this did not mean that the Government actually intensified its control. The Government was deliberately following a policy of abstention in the Outer Islands, and after 1870 the Aceh War sapped so much of its energy and resources that it could not intensify its control outside of Java. As a result the relationship with the native states was punitive in character; interferences with them occurred only when international complications threatened. Long periods of neglect were followed by abrupt interventions of short duration. There were in

* Leyden and Raffles in 1811 conceived the idea of forming in eastern Asia a great Indonesian alliance of native states. Van Vollenhoven states that the material for this plan was lacking. "Only part of the Archipelago was covered with native kingdoms and the majority of them had no fixed territory, no fixed boundaries, no fixed group of subjects and no government administration in our sense; they were Indonesian *états patrimoniaux*, not a single *état*, only one or two *états puissances*." *Koloniaal Tijdschrift*, March, 1928, p. 123.

the Outer Territories a number of small states which had not been brought formally under Dutch jurisdiction at all.

After an insurrection in Lombok in 1896 and in Aceh in 1898 the Government decided upon a new policy, which was later formulated in a declaration of policy by Governor General van Heutsz in 1907. This policy included. (1) the extension of Dutch influence in sections where existing circumstances were a hindrance to welfare, civilization, and freedom; (2) the abandonment of the policy of abstention; (3) efforts along pacific lines to bring about changes in the political relationship with the native states; (4) with the avoidance of anything which might lead to the use of force, a decisive insistence that the rulers of the self-governing states strive for the welfare and the improvement of economic conditions of their people; and (5) the principle that incorporation with the directly governed territory would take place upon the request of the chiefs and peoples concerned or whenever the interest of the people made it appear unavoidable. The first and immediate expression of the new policy was the substitution of the so-called Short Declaration for the long enumerative contracts which until then governed the political relationship between the East Indian Government and the self-governing states. The Short Declaration is clearly unilateral in character and the general substitution of it for the long contract had the advantage of reducing the relationship to uniformity. In signing the Short Declaration the ruler of the self-government recognizes the sovereignty of the Netherlands, promises not to enter into any political relations with foreign powers, and agrees to execute and maintain all regulations which with respect to the state are issued in the name of the Queen or the Governor General or his representatives, and in general to carry out all orders given him by or in the name of the Governor General or his representative.⁴ For historical and political reasons the Short Declaration could not everywhere be applied. The long contract is still in force in fourteen states.

By means of the wide powers of penetration acquired under the

⁴ See Uniform Model in "Overeenkomsten met de zelfbesturen in de Buitengewesten." *Mededeelingen van de afdeling bestuurszaken der Buitengewesten van het Departement van B. B.*, Serie A, No. 3.

Short Declarations, the Government was able to effect a large number of reforms in the self-governments. But it was soon felt that the process of penetration had gone too far; that the native states should be strengthened in order that they might be used as priceless historical aids in bringing about a sound and a much needed decentralization upon an Indonesian basis. In order to define again the mutual rights and obligations of the states and the Government the Native States Regulations were issued in 1919. Following the revision of the East Indian Government Act, in 1925, these were replaced by a new set of regulations, issued in 1927.

POSITION, POWERS, AND ORGANIZATION

The position of the states whose relationship with the East Indian Government is still regulated by the long political contract is outlined in that contract, whereas the position of the states which have signed a Short Declaration is laid down in the Native States Regulations of 1927. In view of the fact that these regulations were meant to constitute a restriction upon the unlimited power which the Government obtained under the Short Declarations, it is rather significant that these regulations were established by government decree just a week before the East Indian Government Act went into effect, under the provisions of which the approval of these regulations by the Volksraad would have been necessary.⁵ The Native States Regulations, since they contain the substance of the long contracts, may be regarded as a sort of constitution for all native states.

From the jurisdiction of the states the maritime belt is always excluded.⁶ The boundaries of each state are set by the head of the district administration after consultation with the ruler of the state. Disputes over boundary lines of the states are settled by the chief district officer, subject to appeal to the Governor General. Free use or the cession of land must be granted the Central Government whenever the latter requires it, subject to restitution to the individuals who have claims on it.⁷ The Central Government may grant concessions

⁵ Kleintjes, II, 215.

⁶ *Zelfbestuursregelen*, 1927, Art. 1.

⁷ *Ibid.*, Art. 2.

or licenses for the exploitation of the subsoil within the states; the profits from these grants are divided equally between the Central Government and the states. Should the Central Government itself engage in the exploitation, the division of the profits in each case will be made by the Governor General.⁸

There is a great variety in the governmental organizations of the states, for the indigenous institutions are kept intact as much as possible.⁹ While most of the governments are autocratic or oligarchic in form, there is at least one that is republican. There is a good deal of clamor in the Volksraad and the native press for the establishment of councils in all the states and the Government encourages their creation wherever needed. The Governor General may remove a ruler for misconduct in office. The successor to the office, no matter what the cause of the vacancy, is named by the Governor General. The grandees, or advisers to the ruler, are appointed and dismissed by the chief district officer, after consultation with the ruler. In the absence of a ruler the chief district officer temporarily takes over the administration of the government.¹⁰

From ancient times all the income of the state was at the free disposal of the ruler. It was not an easy matter to teach the rulers the principle of a separation between public and private income, but the personal expenditures were so great that the Central Government had to interfere. An instruction of 1907 laid down the following rules for guidance in financial administration: separation between the income and expenditures of the ruler and the income and expenditures of the state; the introduction of the yearly budgets; and the fixing of the civil list for the ruler.¹¹ The personal incomes of many of the rulers are still too great, but reductions cannot easily be made during the lifetime of the present rulers.¹² The financial relations between the Government and the states are very complicated. As part of the Dutch

⁸ *Ibid.*, Art. 3. ⁹ *Ibid.*, Art. 4. ¹⁰ *Ibid.*, Art. 6.

¹¹ "Begrooting en overzichting van de kassen der zelfbesturen landschappen in de Buitengewesten, 1929" *Mededeelingen van de afdeling bestuurszaken der Buitengewesten*, Serie E, No. 6, 1930.

¹² *Mededeelingen omtrent enkele onderwerpen van algemeen belang*, 1921, pp. 33-37

East Indies the states must contribute to the general expenditures of the Central Government. This contribution is made indirectly in the form of indirect taxes collected by the Central Government, such as import and export taxes, the income from the opium and salt monopolies, and mining concessions. The native states must also each year make whole or partial restitution of expenditures which were partly or wholly made in their behalf. The Central Government frequently performs many services for the government of a native state, when the latter because of personnel or technical difficulties is unable to do them itself. The states must also make partial restitution for services of the agencies of the Central Government in functions for which there is a joint responsibility. There has been some complaint in the past that the restitutions were forced so high as to saddle the states with an unfair share of the costs of government.²³

In theory the native states were left free in the regulation of their own affairs, but in practice little of self-government remains. Their jurisdiction and freedom of action was diminished in at least three different ways. In the first place the shift in status from international state to protectorate involved the loss of the control of foreign affairs and military defense. Later, as their status was reduced even more and the general interest required intervention, the care of an increasing number of internal matters was taken over by the Central Government. The Native States Regulations withdrew no less than eighteen important subjects from their jurisdiction.²⁴ These prohibited subjects include such important matters as harbor police and administration, telegraphs and telephones, prospecting and exploitation of minerals, the mutual rights and obligations of employers and employees, regulations governing the leasing of lands to persons not subjects of the state, and regulations concerning public sales. The enumeration of the prohibited subjects in the Regulations does not mean that the Central Government refrains from interfering in all other subjects. And conversely the state government occasionally deals with matters delegated to the Central Government. The administration of justice is

²³ See article "Zelfbesturen," *Encyclopaedie*, IV, 830. ²⁴ Art. 14.

sometimes taken over by the Central Government, and a large part of education. All secondary education, all lower education for Europeans and Chinese, as also lower education for Indonesian children with Dutch as the medium of instruction, is in the hands of the Central Government.

A second restriction on the states' independence is found in the fact that the rulers must accept the "guidance of the European administration." A further loss of freedom occurs when the Central Government under the fiction of furnishing aid sends one of its services into a state to take over that branch of the state's administration. The regulation and administration within the spheres left them is in turn limited to their own territory and to their own subjects. Excluded from their jurisdiction are the following categories of persons: (1) Europeans and those assimilated with Europeans, (2) nonindigenous Asiatics, (3) Indonesian employees of the Central Government, (4) all persons settled within the boundaries of the state on land ceded to or placed at the disposal of the Central Government, (5) Indonesians from the outside temporarily sojourning within the state, and (6) Indonesians who have entered into a labor contract—"contract coolies" and "free laborers."¹⁵ These subjects of the Central Government are under the jurisdiction of the Central Government in every respect: law, administration, police, justice, and taxation. The number of persons enjoying extraterritoriality naturally varies greatly from place to place. In the East Coast of Sumatra, the center of the great European cultures, their number is almost twice as large as the state's own subjects. This jurisdiction of the Central Government over its own subjects and over certain matters within the states naturally makes it necessary for the Central Government to project its organization and personnel into the territory of the states.

The extraterritorial rights of Europeans and nonindigenous Asiatics are bound up with the dualism in law and administration which prevails even in the directly governed territory. If these two classes of the population are to have the same privileges in the indirectly governed

¹⁵ *Ibid.*, Art. 13

territory which they enjoy in the directly governed territory, extritoriality must be maintained. That so complicated and dualistic a system should create all sorts of difficulties is obvious. The difficulties vary from state to state, depending upon the number of government subjects within the state, the nature of their economic activities, and the social and economic development of the indigenous population. Natives in the more highly developed states are beginning to take offense at extritoriality and its concomitant unequal privileges. It makes the position of the native state ruler difficult, as the institution casts a reflection upon his fitness to rule. The system is so complicated that it has developed confusion. The situation has become so confused, avers a leading East Indian official,¹⁶ that not even the most expert bureau is in a position to state with exactness which regulations are applicable in the territory of the self-governing state, or how far. The executive and the administrative branches often give different answers, giving the rulers of the native states an impression of arbitrariness.

ADVANTAGES AND PROBLEMS OF INDIRECT RULE

The policy of the East Indian Government with respect to the native states has been a subject of considerable discussion and controversy. The Dutch East Indian Government is accused of having played fast and loose with the native states and of having ruthlessly forced its will upon them.¹⁷ Intervention in the internal affairs of the native states by the right of "paramountcy," it is contended, can be justified only in extreme cases, but this vague right has been used to justify all manner of intervention.

There has also been a general feeling that the Government has in practice followed a policy which is the reverse of its declarations. Governor General van Heutsz had declared that the native states would be preserved and strengthened. This policy was proclaimed in the speech from the throne in 1909 and in a circular of Governor General Iden-

¹⁶ J. Schrieke, *De Indische politiek*, p. 99.

¹⁷ Spit, *De Indische zelfbesturend landschappen*, pp. 129 ff.

burg a little later. This apparent contradiction between profession and practice can probably be explained and reconciled. The policy came concomitantly with the ethical policy which involved an intensification of colonial administration for the promotion of native welfare. The native states were not equipped for this either in organization or in personnel; reform of organization was necessary, and also the provisioning of personnel. This could be done only gradually, but the fulfillment of modern demands could not wait. The fictions of "guidance of European administration" and the "furnishing of aid" were invented to fill the breach. As a result much of the task which rightfully belonged to the sphere of the states was taken over by organs of the Central Government. Conditions in the Javanese states were especially archaic and the Government was compelled to intervene drastically, but, the reforms in organization and agrarian economic conditions having been made, the Government is now earnestly seeking to withdraw.

The general criticism that the European officials are running the administration of the states, using the rulers as puppets instead of allowing them to carry on in their own way with their own personnel and in their own tempo, persists. Probably the fault of the Dutch administration generally is that it is too intense. The Dutch are in a measure forced to this by the intensive colonization of the country and by the overpopulation of Java. The latter places a tremendous responsibility upon the East Indian Government, for neglect in maintaining certain services at the highest level might readily lead to a major catastrophe. However this may be, the Javanese states enjoy little self-government but a great amount of decentralization. It is in essence a joint government of two autocrats, one European and one Indonesian, with a clever Governor²⁸ getting his way most of the time.

²⁸ Contact between the Central Government and the Javanese states takes place through two Governors, one at Surakarta and the other at Djokjakarta, each the capital of two states. These two positions are regarded as the most difficult in the whole East Indian service. One writer has described them as the university of classic colonial administration. The degree of the Governor's control is illustrated by an amusing incident which occurred at the time of the visit of the King and Queen of Siam to Java in 1929. One of the Javanese princes gave a lavish dinner in honor of the King and Queen. The

While the Governor exercises a tremendous influence over the native ruler, he is himself decidedly independent of the Central Government.

The system of indirect government as it has developed under the institution of the native self-governing state carries with it great difficulties and problems. The problem becomes especially acute in districts like the East Coast of Sumatra, where a large number of Western large-scale enterprises have developed and a large influx of outsiders has taken place. Many solutions are attempted, but none of them are very satisfactory. When the municipality of Medan was created, it was separated from the state of Deli and incorporated with the directly governed territory. This was also done in Pematang Siantar. By this method the most important social and economic centers of a state are lost to its jurisdiction. Other cities, like Bindjai, Tebing Tinggi, and Tanjong Baladi, are given jurisdiction only over the subjects of the Central Government, thus setting up a dual jurisdiction and administration.¹⁹ It seems certain that exterritoriality will ultimately have to be abandoned. The only two ultimate solutions are either the unification of the legal system or the incorporation of the native states with the directly governed territory. Neither of these will or can be lightly undertaken.

The Indies Government is now encouraging federative coöperation among states, even to the forming of a federative council. This is a very desirable movement among the many small states which separately form units too small for effective administration. The four native rulers of Java began in 1929 to hold monthly conferences for the discussion of common problems and agreement upon common

Governor, however, exercised a control over the issuance of the invitations, with the result that 250 European guests were invited by the Governor and a mere handful, since there was room for no more, were invited by the prince himself. The incident was severely criticized in European circles and played up in Indonesian nationalist circles.

¹⁹ This often leads to confusion or illegal situations. For instance, the municipality institutes a dog tax. Since it is impossible to tell whether a dog belongs to a subject of the state or to a subject of the Central Government, it often happens that dogs belonging to subjects of the native states are also impounded. Rather than run this risk the subjects of the state voluntarily pay the taxes levied by the municipality, though they apply only to the subjects of the Central Government. See Visman, "De staatkundige organisatie van Sumatra's Oost kust en die van de Federated Malay States," *Koloniale Studiën*, Vol. XIV, Pt. 2, pp. 1 ff.

action. It is hoped that these conferences may ultimately lead to a sort of confederation. The explanation of this movement is probably in part a reaction against the rising nationalist sentiment, as the institution of councils was one of the first problems on the agenda of the monthly conferences.

Whether direct or indirect rule upon the basis of self-governing states deserves preference cannot be answered categorically, as conditions vary so greatly in different parts of the Indies. As Kleintjes²⁰ rightly concludes, if a reasonable expectation may be entertained that the state can develop into an effective governing agency it ought to be preserved, as it permits development upon indigenous bases. If that expectation does not exist, incorporation with the directly governed territory is desirable. There is a distinct advantage in the fact that East Indian legislation does not automatically apply to native states. This makes for flexibility, though it must be conceded that it also permits arbitrariness. A disadvantage of the system is its costliness, as a princely establishment in Oriental fashion can be maintained only with lavish expenditure.²¹ For example, the Soesoehoenan at the time of his death in 1939 had a civil list requiring 2,350,000 florins when the total income of his government was only 4,600,000 florins. His successor, however, had to accept a much reduced civil list. The rising nationalist movement does not increase the usefulness or the security of the native states, especially not those which are autocratically ruled, as the nationalists are for the most part Westernized intellectuals with a strong democratic bias. They may for the moment support the states against the Dutch-controlled Central Government, but there can be little comfort in this for the native princes, for the nationalist movement is fundamentally opposed to them.

²⁰ I, 63-64.

²¹ The East Indian Government has encountered this problem especially with respect to the four states of Java. The personal expenditures of the princes must be constantly watched. With the administrative reorganization in 1928 the Indies Government tried to place the four states under one Governor, but this was found impossible. He would have to select one capital as his residence, and in so doing offend the other princes.

Chapter XI

THE CIVIL SERVICE

THE FIRST measures for the training of future officials were taken by Governor General van der Capellen in 1819, when he issued a regulation ordering prospective officials to be placed for a time under the care and supervision of district heads before being assigned to active service. During this period they were to receive instruction in the native languages and by association with native heads and their sons acquaint themselves with the morals and customs of the people. It was van der Capellen, too, who commanded the administrative officials to devote themselves to the study of the native languages.¹

SELECTION AND TRAINING

EUROPEANS

The conviction that there was need of a better-trained administrative corps led in 1834 to the establishment of an institution for the study of Javanese at Surakarta in Java, but as it rendered meager results it was suppressed in 1843. The Government now conceived the plan of instituting in the mother country a course of study for the training of colonial administrative and judicial officials. The Royal Academy at Delft was selected as the school to give the training. The East Indian civil service was divided into three classes, the first of which could be entered only by those who in addition to possessing the doctorate in law had successfully passed the course in the language, geography, and ethnology of the East Indies. Entrance to the second class was open to persons who did not possess the degree of doctor of law but who had successfully pursued certain subjects regarded as necessary for the administrative service. For entrance to the third class of officials training at Delft was not necessary; merely the completion of the

¹ For the early training of administrative officials see article "Opleiding van administratieve ambtenaren," *Encyclopaedie*, III, 167 ff.; also Lowell, *Colonial Civil Service*, pp 113-171.

secondary school course was demanded. To the members of the first class all positions in the East Indies were open, to members of the second class all positions except the judicial, and to members of the third class only the lower positions were open. The Indological course at Delft did not attract students enough to provide adequate forces for the service, and so the Government was compelled to appoint outsiders. To encourage more students to take the course, the Government in 1859 remitted the tuition fees of Indological students and made appointment to the East Indian service automatic upon mastery of the final examination of the course, but when a few years later there developed a surplus of officials in the East Indies these regulations were revoked.

In the meanwhile, objections to the Indological course as given at Delft developed, and they increased in vigor as time went on. Little developmental power was gained from the instruction, it was contended; the liberals complained that it was a nursery of conservatism, and the Dutch in the East Indies were dissatisfied with the system because it did not provide preparation in the East Indies for admission to the administrative corps. The year 1864 offered a good opportunity to revise thoroughly the system of selection and training. The Royal Academy at Delft was transformed into the Polytechnical School and the Indological courses transferred to a new school at Leiden. By a reorganization in 1867 of the *Gymnasium Willem III* at Batavia, lengthening the course of study to five years and adding a division of Indology, provision was made for training in the East Indies. Admission to the East Indian judicial and administrative corps was made dependent solely upon the passing of an examination which would be given each year in Holland and the East Indies, but it was confidently expected that most of the candidates would prepare for the examination at the Imperial Institute at Leiden. This expectation was frustrated when the municipality of Delft, with characteristic Dutch civic pride, founded a school to rival the one established by the royal Government at Leiden. Whereas the Imperial Institute at Leiden, owing probably to the influence of the University, trained for scholar-

ship and general development, the Delft school pointed its students for the East Indian civil service examination. The more practical training at Delft—more practical from the point of view of the students desirous of East Indian appointments—drew the students. The institution at Leiden languished and in 1876 it was abolished. The municipality of Leiden, not to be surpassed by Delft, immediately (1876) established a School for Indological Studies, but it was no more successful than the Imperial Institute in competing with the Delft school, and in 1891 it closed its doors. After 1893 the Delft school was given a small subsidy, in return for which the Netherlands Government acquired a certain control over the institution. In 1891 the course of study was lengthened from two to three years.

Dissatisfaction with the system continued. The examinations were steadily made more difficult, but the training for them became more and more a drilling in detailed information and memory and less and less an enlarging of horizons and sharpening of insight. The training failed to develop the qualities necessary to an enlightened administrative corps. Moreover, the number of candidates became so large that two-thirds of those who passed the examinations could not be placed. And when in 1900 the Government announced that because of the surplus of administrative officials no examinations would be given in 1901 and 1902, enrollment fell off so rapidly that the Delft school had to close its doors. The royal Government did nothing to save the school, as Minister of Colonies Cremer had little sympathy with the kind of training it was giving. Minister Cremer pleaded for a general liberal education for the future administrative officials. He also opposed training and recruitment in the East Indies, on the ground that the administrative officials ought to be representative of all that was best in Dutch culture and tradition, and ought therefore to be thoroughly Dutch. The Minister, supported by a commission which had been appointed to study the matter, held that the University of Leiden was the proper place for the training of the candidates, since courses in Malay, Javanese, Mohammedan law, East Indian government, and the geography and ethnology of the East Indies were

already being given there.² Moreover, training at Leiden would give the best guarantee of a broad, formative education.

The old system of recruiting and training for the colonial administrative corps was criticized because of the alleged injustice to those young men who, after three years of specialized study and successful passing of the examination, failed to receive appointments. The highly specialized training was useless in any other field of work; hence the time and expenditures of these young men were lost. For this problem Minister Cremer and his commission also had a solution. They proposed that the aspirants be selected before and not after the course of training; the aspirants to be selected from secondary school graduates by commissions in Holland and the East Indies. The aspirants would be selected on the basis of an examination in which general development, culture, and facility of expression in oral and written Dutch would weigh most heavily. Three years was to be the duration of the course of study.

Minister Cremer unfortunately retired before securing the passage of a law containing the provisions which he proposed. In 1902 a temporary regulation was issued by Minister Idenburg again calling for annual examinations open only to those who had spent some years of study at Leiden. In 1903 Minister Idenburg put part of the Cremer plan into effect by a regulation stating that after 1905 only those persons who had previously been selected as candidates would be permitted to take the examination. A complete new regulation embodying most of the proposals of Cremer came into existence in 1907 under Minister Fock. The course of training in Batavia was discontinued in 1913, after which aspirants selected by the Commission in the East Indies were given free transportation to Holland and a subsidy to help meet their school expenses.

The system put into effect under Fock included a provision not found in the Cremer plan. The course of training was still specialized,³

² Since 1874. In that year the Imperial Institute at Leiden was abandoned and a law passed requiring that these subjects be taught in one of the state universities. The ministry selected Leiden as the University at which these courses should be given.

³ At the end of the first year the student took an examination in the principles of the

and it was Fock's contention that until a large amount of administration could be transferred to native officials the number of European officials required would be so great that the qualifications for appointments could not be raised. Large parts of the Outer Provinces had just been effectively occupied, demanding a much enlarged administrative personnel. Fock, therefore, established as a temporary institution for a transition period the East Indian Administrative Academy at The Hague, with a two-year course of study. A maximum of twelve successful East Indian administrative officials would be selected each year by the Governor General for further training at the Academy as preparation for positions in the higher ranks of the service.⁴

The succeeding Minister of Colonies, Mr. de Waal Malefijt, now took up the problem of administrative reforms, having in view greater participation of native officials. With the transferal of a wide range of administrative duties to native officials the position of the European officials would drastically change. A smaller number would be necessary and their sphere of work would be limited to the general direction of administration. Minister de Waal Malefijt therefore suggested that the system of training, which was still really in a period of transition, should now be reorganized upon a broader basis. For the purpose of obtaining expert opinion on this problem he appointed a commission, including Professors Bavinck, Snouck Hurgronje, and van Vollenhoven, and a number of former colonial officials, to make recommendations. The commission held that in view of the fact that in the future the Dutch officials would hold only the positions of

Malay language, the history of the East Indies, the history and methods of missions in the Malay Archipelago up to 1800, geography of the Malay Archipelago, and the main features of present-day law. The final examination at the end of the three years' course included Malay or Javanese, history of the Dutch East Indies, history and method of missions since 1800, geography of the Malay Archipelago, Government of the Dutch East Indies, Islam and its significance for the Dutch East Indies, Dutch East Indian criminal law and criminal procedural law.

⁴ The curriculum consisted of comparative colonial administration, problems of civil and criminal law which officials of superior grade ought specially to know, political economy and statistics, and conversational exercises in French, German, and English. At the end of each year the Director of the School, after consultation with the instructors, made a special report on each of the students, which report was transmitted by the Minister to the Governor General.

higher responsibility a different training was desirable. It concluded that training should be the same for all ranks of the service, that in view of the varied character of the work a technical professional training was impossible, that only an academic training could develop the high intelligence and independence of judgment which the type of work demanded, and that a special Indological orientation was necessary at the end of the academic training. The commission therefore recommended that the academic or doctoral examination be followed by a second, an Indological examination. This commission also included in its recommendations the weeding out of candidates who should be found unfit because of personality and character, and subsidization of the persons selected for training.⁵

Parliament wished to move cautiously in so important a matter as administrative reorganization and asked Minister de Waal Malefijt to withdraw his reorganization proposals for further preparation. Since the reconstruction of the system of training had been made dependent upon administrative reorganization, the Minister did not press this matter upon Parliament. However, his successor, Minister Pleyte, in 1917 made the course of study proposed by the commission optional, alongside of the course instituted in 1907. In the meanwhile, student candidates in 1916 were granted subsidies, a thousand florins a year for three years, and in exceptional cases for four years.

The training of East Indian administrative officials was brought to the fore again in 1918, when a number of leading former East Indian officials urged upon the Government the institution of a new doctorate in the combined faculties of law and letters and philosophy, to the study of which graduates of the five-year secondary school would be admitted. The Government met the request by the appointment of a commission to study anew the reorganization of the training for colonial administrative officials.⁶ The system at present prevailing follows rather closely the recommendations made by this commis-

⁵ Report of the commission is found in *Aanvulling Nederlandsche Staatscourant*, January 22, 1913 (No. 18).

⁶ The commission was composed of Professors Snouck Hurgronje, André de la Porte, and van Vollenhoven, and six former East Indian officials.

sion.⁷ There are two courses of study, each of five years' duration. The first, a course in Dutch East Indian law, leads to the degree of master of law. Besides strictly legal studies this course includes comparative ethnology of the East Indies, tropical economics, theory and history of statistics, Malay or Javanese, the institutions of Islam, archaeology and history of the East Indies, and comparative colonial history. In the second course of study, called the Indological course, the student may choose between a major in economics and a minor in languages, or the reverse. Malay, Javanese, political science, constitutional and administrative law, comparative colonial history, tropical economics, East Indian customary law, archaeology, and the institutions of Islam are some of the studies pursued in the Indological course. Leiden University did not wish to depart from the traditional five faculties, so instead of creating a new faculty the faculties of Law and Letters were united merely for the purpose of examination.⁸

This course of study has not met with universal approval. By some it is regarded as too highly specialized. Especially in view of the changing character of the function of the Indies civil official it has been suggested that a change in the course of training has become necessary.⁹ On the one hand the progressive concentration of Western industrial life in the Indies, and on the other the development of the native society, and further, the ever-enlarging role of the Indonesian native administrative officials, have changed the task of the Dutch civil official in the Indies, and the new situation requires of him greater objectivity, insight, diplomatic talent, and wisdom. The qualities of an experienced observer and councilor are becoming more important than the qualities of the dynamic young worker. The sug-

⁷ *Verslag van de commissie voor de hervorming van de opleiding van Indische bestuursambtenaren*. The present regulations for training administrative officials now rest upon (1) the Academic Law of 1921 providing for the new courses of study, and (2) a royal decree of 1922 accepting its graduates in the East Indian administrative service.

⁸ Professor Snouck Hurgronje long advocated a general training, but now accepts the present compromise as the best for the Netherlands, as the Hollander with a general training cannot be induced to go to the East Indies.

⁹ See J. H. Boeke, "Keuze en opleiding van den candidaat-Indisch ambtenaar," *Indisch Genootschap*, January 21, 1938.

gestion has been made that the course of training be broadened and extended to six years, and that experienced civil officials be sent to foreign Oriental colonies for the study of governmental institutions. This suggestion has great merit.

The student candidates are selected by a sifting committee from among the graduates of high schools. Formerly they received a subsidy of 1000 florins a year for each of the five years of study. During the period of depression this subsidy was reduced to 300 florins a year. If, after successfully completing the course of study, the candidate does not accept an appointment to the East Indian service, he must return the subsidies plus 15 per cent interest. He is free from this obligation after five years of service, but after this period of service he is not likely to resign, since he is within one year's service of a furlough and has gone a long way toward claim to a pension. Upon being sent out the candidate receives an equipment fund of 1800 florins if he is married, and 1200 florins if unmarried.

Until 1925 the University of Leiden had a monopoly of the training for the East Indian administrative corps, but in that year a privately endowed Indological faculty was set up at Utrecht University. The student candidates may now choose either school for study.¹⁰ In the years immediately preceding 1931 about seventy candidates were sent to the East Indies each year. With the lengthening of the course of study the usefulness of the Administrative Academy at The Hague was over and in 1922 it was discontinued.

There is also a small second-rank European administrative corps. After the effective occupation of the entire Outer Territories in the early years of the century the supply of administrative officials fell behind the need. The Government resorted to setting up a corps of the second rank, recruited mostly in the East Indies. After 1914, candi-

¹⁰ The Indological faculty at Utrecht was endowed by private individuals who feared the influence of the Leiden-trained officials. The Leiden faculty was attacked by persons closely associated with the Entrepreneurs' Council as hyperethical and the young Leiden officials were accused of being much too sympathetic with the native movement. Because of the conjectured source of its endowment the Utrecht school was for a while referred to as the "oil school."

dates for this corps were sent to the Administrative School set up that year in Batavia for the further training of native officials. Candidates were selected from among high school graduates; half were selected in the Indies and the other half in Holland. The course, of two years, provided practical instruction in law, economics, public finance, geography, ethnology, Mohammedan law, construction work, public health, history of the Dutch East Indies, and Malay. Candidates received subsidies while in school. The members of this corps, called *Gezaghebbers*, were sent to subordinate posts in sparsely populated sections of the Outer Territories. In 1930 there were about 120 in the corps. The period of its usefulness is now over and the corps is being allowed to die out.

For eligibility to diverse positions with the other East Indian services the candidates must first pass competitive examinations. Student candidates are selected by a personnel committee, as are candidates for the administrative corps. Subsidies are granted to some few of them; for example, to teachers.

A large number of institutions in the Netherlands provide training for East Indian work, whether in the government service or outside of it. Included among these institutions are the Secondary Colonial Agricultural School at Deventer, the Imperial Horticultural School at Boskoop, the School for the Sugar Industry at Amsterdam, the Colonial Institute at Amsterdam, which gives both day and evening courses, and the Catholic Commerce School at Tilburg. The Colonial School for Girls and Women at The Hague gives a three months' course to prepare women for the life they will have to lead in the East Indies. It is subsidized by the Municipality and the Ministry of Colonies.

INDONESIANS

The training of native colonial officials was long neglected. A few schools for the general education of children of native chiefs were set up in 1879 and 1880, and these schools were later transformed into training schools for native officials. At present there are six of these in Java, and two in the Outer Territories, one at Fort de Kock in Su-

matra and one at Makassar in Celebes. These schools, called Osvias,¹¹ were divided into two sections of three years each, but the lower section, which corresponded with the Mulo or junior high school, was recently dropped as an unnecessary duplication of training obtainable throughout the East Indies. The graduates of the Osvias go out into the service as subdistrict heads, or assistant *wedonos*, and may be promoted to district head, or *wedono*.¹²

Until 1909 there was no opportunity in the East Indies to train for judicial positions. To meet this need there was established that year in Batavia the Training School for East Indian Lawyers. While the course covered nearly the same ground as the law course in Dutch universities, the instruction was meant to be practical and adapted to East Indian needs and conditions. In 1924 came a new institution, the Law College at Weltevreden, the instruction in which is on a level with that of the Dutch universities. The Law College grants the degrees both of Master of Law and of Doctor of Law. The Training School for East Indian Lawyers was discontinued a few years after the founding of the Law College and all the judicial officials now receive a standard law training either at the Law College or in the Dutch universities.

It is widely felt that the training for native officials ought to be improved.¹³ What is needed is a broader and less professional training. The Dutch have followed, at least in Java, a modified hereditary system in the selection of their officials, but in recent years there has been much complaint that the sons of nobility have acquired an aversion to an official career. This is in part to be explained by the fact that the way to the civil service lies through the Osvias, which more or less resemble trade schools, whereas the ambitious young Indonesian

¹¹ From the initials of the official name, Opleiding-School voor Inlandsche Ambtenaren.

¹² Until 1933 there was at Batavia the Administrative School, to which a small number of native officials were sent for three years' further training, after they had had six or ten years of active service. The school, which had an attendance of about forty native students, was discontinued in 1933.

¹³ See van Mook, "Een academische opleiding voor het inlandsch Bestuur op Java en Madoera," *Kolomale Studien*, February, 1930.

desires an academic training. The obvious solution to the problem would seem to be a broadening of the Law College curriculum and the transference of the Indonesian civil servants to this institution.¹⁴

REGULATIONS, PENSIONS, SALARIES, AND FURLONGHS

With the exception of a few superior officials, such as the members of the Council of the East Indies, the chairman of the Volksraad, the president of the High Court, and the chairman and members of the Auditing Chamber, who receive their positions at the hands of the Crown, all East Indian officials are appointed and removed by the Governor General. The Governor General has the power of conferring the power of appointment and removal upon lower authorities, and in recent years he has made use of this power on a wide scale. However, removal not upon the request of the individual can take place only with the Governor General's consent.

The salary scale is unified, that is, all officials satisfying the same requirements receive the same salary, regardless of their racial origin and regardless of whether they have been trained or recruited in the East Indies or Holland. Salaries are divided into three groups, designated "A," "B," and "C." To grades in group "A" a salary is attached which is considered normal in comparison with the salary received for similar work in the East Indies. This group includes the most poorly paid positions. At the other end of the scale are the most highly paid positions, the "C" group. A high salary is provisionally attached to this group because the positions in it can be filled only by importation of personnel from Holland, since the East Indies does not yet produce trained and experienced persons in sufficient numbers to fill them. An intermediate salary is attached to positions in the middle or "B" group. The positions in this group are filled from East Indian society, but the number of people from which the incumbents can be drawn is still relatively small and their standard of living still considerably above the average. While officially the principle of non-discrimination is rigidly adhered to, unofficially these salary groups

¹⁴ For the work of other training schools see chap. xiii, "Education."

were roughly devised for Indonesian, Eurasian, and European personnel, with their corresponding standards of living. In 1932, out of a total of 8286 persons paid according to the "C" scale, 277 were natives and 58 were Chinese. In the "B" group about 40 per cent were natives; the remainder, while officially designated as Europeans, were for the most part Eurasians. Of the 80,253 in the "A" scale all were native except 322 Europeans and 504 Chinese.¹⁵

All honorably discharged civil servants are entitled to pensions. Those in group "C" may retire on a normal pension after 20 years of service and at 45 years of age; those in group "B," after 25 years of service and at 47 years of age; and those in group "A," after 30 years of service and at 50 years of age. The pension amounts to 36 per cent of the annual salary plus 2 per cent for each year of service to a maximum of 46 per cent.¹⁶ Those who have reached the retirement age without the required number of years of service may retire on the normal pension of 36 per cent minus 2 per cent for every deficient year. No pension may pay more than 1000 florins a month. Widows and orphans are also provided with liberal pensions. Members of the civil service contribute 2 per cent of their salary for their own pensions and 5 per cent to the widows' and orphans' pension fund.

All European employees recruited in the Netherlands and on permanent appointment are entitled to European furloughs irrespective of the amount of their salary. Before 1931 all European employees receiving more than 125 florins a month were granted European furloughs, irrespective of whether they had been recruited in Holland or the East Indies. A furlough of eight months was granted for every six years of service, with a month's extension for every additional year of service to a maximum of a year's furlough. During the depression it became necessary to reduce personnel costs and one measure to effect this object was a modification of the furlough regulations. In

¹⁵ *Indisch Verslag*, 1938, I, 421.

¹⁶ The budgetary difficulties during the depression made necessary a revision of the pension regulations. Percentages were lowered and the number of years of service for the normal and maximum pensions was increased. While this was supposed to be temporary, it is problematical whether the old rates will ever be fully restored.

1931 the salary required for European furloughs was increased to 400 florins a month and in 1936 the Government proposed to raise this to 475 florins a month. This met with bitter opposition from the Indo-Europeans, for this would have deprived all except the personnel recruited in the Netherlands of the right to European furloughs. The Government then abandoned this proposal and introduced into the Volksraad new regulations, which went into effect in 1937. Under the new regulations all European employees recruited in Holland may receive as many as three furloughs, one for each six years of service, while the European employees recruited in the Indies may likewise receive three European furloughs if receiving a salary of 300 florins and having special interests in Europe. Employees recruited in the Indies but having no special interests in Europe must attain a salary of 350 florins before becoming entitled to a European furlough, and persons falling in this group may not receive more than two furloughs. The Indies furloughs have been criticized as too infrequent by British and French colonial administrators, who receive a furlough for every three years of service. Transportation costs to the Netherlands and back for the employee and his family are met by the Indies Government, and while on furlough the employee receives a salary graduated in accordance with the salary he received while on active service.

While the conditions of the East Indian civil service seem attractive, there was nevertheless a period after the World War when adequate personnel was obtained with difficulty and the Government had at times to resort to recruiting foreigners. Sixty-five per cent of the engineers sent out in 1920 were of foreign nationality. The Government has gone outside of Holland on a few occasions to recruit doctors and foresters for the East Indian service. A commission was appointed in 1921 to recommend measures for the promotion of a more adequate supply of personnel for the East Indian service. This commission recommended, among other measures, more liberal salaries and more frequent furloughs.²⁷ During the depression, however, there devel-

²⁷ *Verslag van de staatscommissie ter bevordering van de personeelsvoorziening van den Indischen dienst.*

oped a surplus of candidates. Not all the students who had graduated from the Indological course at Leiden and Utrecht could be sent out. In 1937 fifty were sent out, but in spite of this an almost equal number were still unassigned at the end of that year.

INDONESIANIZATION

The budgetary difficulties brought on by the depression of 1930 and the following years have forced a sharp shift in East Indian personnel policy. For many reasons the East Indian Government personnel rapidly increased, until its cost threatened to become a major problem even before 1929. Personnel costs in dependent backward countries run very high, even when compared with personnel costs in Western countries, because of extensive furloughs and premature pensions for the European personnel. The native economy could not have maintained this costly personnel, as the cost of one European official consumes the incomes of hundreds of natives. Had it not been for the strength added to the economic structure by Western enterprises, East Indian finances would not have been able to bear the burden, and when during the depression the Western industries went into a state of collapse the gap between Indonesian economy and the costs of a large Western personnel became only too apparent.

The expenditures for salaries increased from 37,000,000 florins in 1900 to 96,000,000 florins in 1917, and to 224,000,000 florins in 1928.¹⁸ The costs of pensions alone increased from 38,000,000 florins in 1922 to 72,000,000 florins in 1932, exclusive of the personnel in the Government industries. From 1916 to 1928 there was a marked increase in both the number of employees and the average salary. During this period the number of employees increased 47 per cent and the average salary 50 per cent: The total number of employees increased from 153,795 in 1917 to 212,386 in 1928. The number of European employees remained practically constant, 29,055 in 1917 and 29,343 in 1928. Apparently, as the personnel pyramid became larger the European group

¹⁸ See Hart, "De personeelsuitgaven van het Land," *Koloniale Studiën*, June, 1932, pp. 312 ff.

moved upward. The increase of personnel is almost exclusively accounted for by the increase of Indonesians at the base. In 1928 there were in the "C" scale 8305 persons, of whom 8085 were Europeans, all imported, 189 Indonesians, and 31 foreign Asiatics. The total salary of this group was 58,700,000 florins. The "B" scale numbered 16,203, of whom 11,153 were Europeans, mostly Eurasians, 4874 were Indonesians, and 176 nonindigenous Asiatics. The total salary of this group amounted to 47,500,000 florins. The two upper groups underwent a decided expansion in the years immediately preceding 1928; the numbers in the "B" group increased nearly 23 per cent and the total salaries by 18 per cent between 1926 and 1928, while 895 persons were added to the "C" group, an increase of 12 per cent, with a consequent increase in salaries of 6,000,000 florins or 11 per cent.

The ordinary expenditures of the Central Government in 1931 amounted to 517,000,000 florins, of which 192,000,000 florins went for salaries and another 65,000,000 florins for pensions.¹⁹ Another 85,000,000 florins was required for interest on the public debt and retirement. The ordinary receipts declined from 521,813,000 florins in 1928 to 346,000,000 florins in 1931. Thus the expenditures on salaries, pensions, and interest on the public debt about equaled the public revenues. Conditions clearly demanded a change in personnel policy.

The figures given above emphasize several significant facts: first, the number of civil servants was very large for the size and social development of the population; secondly, the number was increasing very rapidly in the years immediately preceding the depression; and thirdly, the higher positions were almost exclusively filled by imported Netherlanders. The large European civil service corps entails very high costs. As can be seen from the figures, the 16,203 employees in the "B" group received a smaller total salary than the 8305 in the "C" group. Moreover, to obtain a full view of the total personnel costs of the "C" group there must be added to the 58,700,000 florins for

¹⁹ Exclusive of Government industries, 192,000,000 florins in 1931. See Hart, *op. cit.*, p. 313.

salaries the further amount of 25,000,000 florins for furloughs and pensions, paid out in the Netherlands. The number of officials who received European furloughs increased from 293 in 1911 to 1443 in 1929.

A comparison with the Philippines and India, with respect to the policy of importing personnel from the metropolitan country, would be interesting and informing, though not altogether fair. The Philippines are much further advanced socially and educationally than most of the East Indies, and India has a much higher percentage of highly developed, educated, and experienced persons. In 1905 there were 3307 Americans in the Philippine service, 2623 in 1913, 582 in 1920, and 494 in 1929, the majority of whom were teachers.²⁰ The Philippines, be it remembered, have an area of less than a sixth and a population of about a fifth of the East Indies. At the peak the United States imported, proportionately, far more personnel than did the Dutch, but a policy of rapid Filipinization was adopted by the Harrison administration. In relation to the population served, the Netherlands at present imports four times as many persons for the East Indian service as the United States does in the Philippines. In India, there were in 1930 5250 civil servants in the superior services, of whom approximately 3500 were British and the remainder Indian.²¹ Thus in proportion to the population governed, exclusive of the Indian States, the Dutch East Indian Government imported about nine times as many civil servants as the Indian Government.

A difficulty involved in the East Indian remuneration system is its so-called unification. All people in the same class in each scale receive the same salary, regardless of their racial origin. Thus when Indonesians win positions in the "B" and "C" scales they receive salaries graded for Eurasians and Europeans, respectively, and hence receive salaries much above the level of native standards and much higher than they would receive for similar work in private industries. Now it seems absurd to pay Indonesians salaries high enough to

²⁰ Forbes, *The Philippine Islands*, I, 517, and the Twenty-ninth Annual Report of the Director of Civil Service.

²¹ *Indian Statutory Commission, Report*, I, 272.

attract personnel from Europe, and to give Indonesians and Eurasians leaves of absence to Europe and premature retirements when they were born and trained in the East Indies.

Former Governor General Idenburg long ago foresaw the difficulties which would arise under the unified system. He warned that it would tend to keep the salaries on a very high level, even after the natives began to qualify for the higher positions, and that it must either impede the extension of indispensable governmental services or overburden the budget. The latter happened. Had the Government at intervals reclassified its groups within and between the scales, converting them to lower levels as rapidly as sufficiently trained natives could be recruited to fill all the positions in a group or class, it might have cut its salary budget considerably. Idenburg suggested the establishment of two salary scales, one which would be normal from the point of view of Indian society and one from the point of view of conditions in Holland, which latter would include the necessary costs of expatriation, European furloughs, and early retirements, and resort to importation of personnel only where adequately trained and experienced men cannot be secured in the East Indies.²⁸

The East Indian Government faces a very difficult problem. It sought to avoid race discrimination by means of the unified system, but it is not clear that it succeeded in this, for the three salary scales have an obvious racial basis. This became very clear when the Government recently proposed to convert a grade from the "B" scale to the "A" scale as soon as the number of Indonesians in a given "B" grade reach as high as 60 or 70 per cent. The Government has not yet definitely concluded which horn of the dilemma it is going to choose for its permanent future policy, progressive conversion of grades or classes to lower salary scales and possibly the entire elimination of the "B" scale, or differential salaries based upon recruitment in Holland or the East Indies. As late as the middle of 1931 a Government commission for the study of the revision of furlough regulations

²⁸ See Zentgraaf, "De Indo-Landsdienaar," *Kolomale Studien*, June, 1932, for a similar proposal

declared "that the granting, in principle, of a right to furlough on the part of Indonesian officials must be regarded as a necessary consequence of the maintenance of this right for certain groups of officials of European nationality."²³ If this principle is accepted, personnel cost will continue to run abnormally high. During the depression the Government reduced personnel by forced earlier retirements on proportionate pensions, suspension, and the cessation of recruiting. Indonesianization was also resorted to. Thirteen hundred Dutch teachers in the Dutch-Indonesian and Dutch-Chinese schools are being replaced by Indonesians. From 1928 to 1932 the number of Indonesians in the "C" group increased from 189 to 277 and the number of Chinese from 31 to 58, while the percentage of Indonesians in the "B" group increased from 30 to 40 per cent.

It is not at all certain that great progress in Indonesianization can be made within the next decade or two. This is not a matter that can be forced. The situation in the Dutch East Indies differs very greatly from that in India and the Philippines. In the East Indies there are present several factors which are not present in the other countries, such as the large number of foreign population groups and the deep penetration of Western enterprises into the economic life of the country. Of the exports of India only 10 per cent are produced by Western enterprises, whereas in the East Indies 75 per cent of the exports are produced by Western enterprises. Much will depend upon whether the present decline of the European industries is temporary or permanent. Nor is Indonesian society ripe for taking over of the positions requiring initiative and drive. Higher education in the East Indies is only in the initial stages; the number of university graduates is still small. More important still, Indonesian society has not yet produced a middle class. Economic life has not yet been Indonesianized, and Indonesianization of the Government will hardly proceed more rapidly than the Indonesianization of other sectors of East Indian life.²⁴

²³ *Ibid.*

²⁴ See Boeke, "Indianisation," *Koloniale Studiën*, June, 1932.

Chapter XII

LAW AND THE JUDICIARY

THE RECOGNITION of native societies and institutions and the aim of developing them along their own lines is a cardinal principle of Dutch colonial policy. This policy of nonassimilation is not an easy one to follow. On the one hand it requires an accurate and profound knowledge of native life and society, and on the other hand the recognition of the diverse needs of a population so heterogeneous as that of the East Indies leads to dualism and even pluralism in the whole governmental structure. Among the native populations occupying this area are found peoples in every stage of civilization and religion and with great differences in languages, mores, and customs. The population of the East Indies also includes a million and a half foreign Asiatics—Arabians, British Indians, and Chinese—and a large number of Europeans. A policy of differentiation in accordance with needs in a population composed of groups with such divergent ways of living, of social and economic development, and of legal conceptions must necessarily lead to a bewildering multiplicity of law.

PRESERVATION AND STUDY OF CUSTOMARY LAW

Though surrounded with great difficulties and involved in many inconveniences the Dutch policy of preserving and respecting customary native law is of the highest importance and significance. From the point of view of colonial judicial administration the application of Western law throughout the islands and to all racial groups would have the advantage of uniformity and certainty. Moreover, it is easier. It is no small matter for the Westerner to penetrate Eastern society for the purpose of uncovering its customary laws. It is even more difficult for the Westerner to understand and sympathize with its legal conceptions. But the imposition of an alien law not born of its own needs and consciousness can rarely satisfy a people's sense of justice and may be the cause of grave injustices. The introduction of an alien

legal system will cause natives to turn away from government courts of justice and seek makeshifts elsewhere,¹ and it contributes to the disintegration of native society. Only insuperable obstacles can justify the suppression of native jurisprudence. A knowledge and use of customary native law contributes greatly to a smooth-working administration. Reforms have the best chance of success if they are in agreement with native social institutions. Ignorance of customary law, mistakes in the conception of it, or indifference to it may cause serious governmental maladjustments.² Native juridical communities are sometimes ignored to the great dissatisfaction of the people and the confusion of administration. A nice adjustment of official administrative units to the customary juridical units, such as villages, leagues of villages, and principalities is an important factor in colonial administration. Customary native law actually touches colonial administration at numerous vital points, such as agrarian policy, labor policy, native administration, and autonomous communities. The policy followed with respect to native customary law also involves the large question of how far the alien administration shall penetrate native

¹ This is clearly demonstrated in the Philippines, where Indonesian customary law has no standing in the courts. The people keep many cases out of court and decide them among themselves on the basis of their adat. Administrative officials often utilize adat to solve social problems. It has been suggested that it would be wise even at this late date to give recognition to customary law. See Javier Gonzales, "Suggested Reforms of the Civil Code Provisions on Intestate Succession Based on Filipino Customs," *Philippine Law Journal*, Vol. VII, Nos. 4, 5, and 6.

² When in 1905 the Netherlands Indian Government abandoned its policy of non-intervention in the internal affairs of Central Celebes, "the greatest difficulties in connection with this meeting of East and West were experienced by the chiefs. The European administrative officials took them for men who could order their people to do anything they wanted. This was not the case . . . they exercised only customary rights. If the chief gave an order which fell outside of his ordinary jurisdiction the people refused to follow it. They did this now when the headmen, at the instigation of the officials, ordered them to make roads and carry burdens for the military police. Time and again the headmen were held responsible for the inhabitants' failure to carry out orders, although the headmen themselves were unable to demand obedience. The chiefs were also held responsible for permitting conditions which were quite natural to them but which ran counter to the ideas of the Dutch administrative officials. . . . The headmen found themselves in a strange world. They did not know what they had to do and usually preferred to withdraw, but there were few who had any desire to take their places." Alb. C. Kruyt, "The Influence of Western Civilization on the Inhabitants of Poso (Central Celebes)," in *The Effect of Western Influence on Native Civilizations in the Malay Archipelago*, edited by B. Schrieke.

society, the question of native autonomy, and of native autoactivity. Finally, the Dutch policy of respecting customary native law is of the highest importance because of its unexcelled contribution to the promotion of ethnological jurisprudence. Western imperialism and the assimilation policy which is its most usual concomitant is threatening to extinguish all other legal systems. By its policy the Dutch Government is furthering a systematic study of customary law, keeping it alive, and developing along its own lines one of the principal legal systems of the world, the recognition of which constitutes one of the basic principles underlying the Permanent Court of International Justice.³

Oriental customary law had long to wait for discovery and appreciation by the West, chiefly for the reason that it is difficult for the Westerner to penetrate Oriental society and Oriental forms and modes of thought. Western misconceptions and belittling of that law are largely to be ascribed to the same difficulty. "He who after the study of Netherlands law takes up the study of Dutch East Indian law enters a new world," states Professor van Vollenhoven, the foremost scholar of Indonesian customary law.⁴ Oriental valuations, motives, and views of good and evil are frequently strange to the Western mind. The Oriental world is no longer a closed book to the Westerner, but it is a book which it has taken the Westerner a long time to read sympathetically, intelligently, and accurately.

An obstacle to the study of Indonesian customary law, according to van Vollenhoven, is the utterly wrong supposition that law follows religion,⁵ that pagans have pagan law, Hindus have Hindu law, Mohammedans Moslem law, and Christian natives Christian law, so far as that may exist. This supposition, positively contradicted by the facts, has had and is still having a fatal influence. The influence of religious law is limited; and most students make the mistake of stressing the religious element of the customary law too much, and of uniting religious and customary law. A second obstacle is the tendency of Europeans to distinguish that which to the native is indis-

³ *Statute*, Art. 9 ⁴ *Het adatrecht van Nederlandsch-Indië*, I, 3. ⁵ *Ibid.*, I, 15, 16

tinguishable, to separate elements which to the natives are inseparable. A systematic differentiation between public and private law, penal and civil law, property and contract law, absolute and relative rights, property rights and personal rights, is for the Indonesian without legal training inapprehensible. Nowhere in the Archipelago does the native know or practice the distinction between ownership and possession.⁶

"Adatlaw" has come into general usage among the Dutch as the term applied to Indonesian customary native law.⁷ Adatlaw is that part of the uncodified law which is applicable to the natives and the nonindigenous Asiatics. A distinction is made between adatlaw and indigenous law, the latter being that part of the adatlaw which remains after the religious elements have been deducted. There is no one and the same adatlaw for all the East Indies. Indeed, the East Indies are divided into about twenty adatlaw areas or districts, each with an adatlaw different from that of the other districts. But in the adatlaw of all these areas there is a large common element, and this common element van Vollenhoven has outlined in a sort of skeleton code for the whole East Indies.⁸

There was very little study of adatlaw during the period of the East Indian Company, 1602-1800, although here and there a few individuals interested themselves in the subject. The real ground-breakers for the study of Indonesian adatlaw were three Englishmen: Marsden (1754-1836), a colonial official who collected considerable material in Sumatra; Raffles (1781-1826), the Governor of Java during the English occupation from 1811 to 1816; and Crawford (1783-1868), one of Raffles' subordinates. A fellow pioneer of the three Englishmen

⁶ Van Vollenhoven, *Miskenningen van het adatrecht*, pp. 40, 54.

⁷ "Adat" is the Arabian word for "custom." The large Arabian population in the East Indies and Mohammedanism have engrafted a number of Arabian words on the native languages.

⁸ *Een adatwetboekje voor heel Indië*.

It should be noted that Indonesian adatlaw is not confined to the native population of the Dutch East Indies, but prevails also among the inhabitants of Madagascar, British Malaya, British Borneo, the Philippines, and a large part of Formosa. On the other hand, the people of central and southern Dutch New Guinea are not Indonesians and the Indonesian customary law is unknown among them.

was the Dutchman, Muntinghe (1773-1827), who was a Dutch colonial official in Java when the British conquered it, and who remained to serve as one of Raffles' right-hand men.⁸ During the period from 1800 to 1865, which van Vollenhoven characterizes as "Western reconnoitering," some good work was done by individual colonial officials, but none equal to that done by the four great pioneers. Confusion of adatlaw with the exotic religious law, of folk law with princely codes, of code law with living law, was a common mistake made by the investigators of this period. None of the early investigators had a conception of adatlaw as a coherent body of material crying for investigation and precise study. And of any conception of the importance of adatlaw material for governmental administration and legal history there was not a sign during this period.¹⁰

A convergence of circumstances caused a new interest in adatlaw about 1865. The agrarian policy in the East Indies was for several years a leading issue in the States General and the subject of heated debate. Much of the discussion in debate centered about adatlaw. The agrarian problem is closely linked with adatlaw and it was a very encouraging omen that the States General began to recognize this, for many injustices have been committed against the natives through ignoring or misunderstanding customary agrarian law.¹¹ As a result of this debate the Government issued a proclamation to the people of Java guaranteeing them a recognition of their rights to individual and communal land and promising that these rights would be protected against every invasion. A few years later the East Indies Government made an agrarian investigation in Java and Madura.

The civil service now also began to manifest an interest in customary law. Previous to this time, officials had received little training in native languages and social institutions, so that they arrived on the field poorly equipped to make investigations. About this time the course of study in this respect was much improved and a wide-

⁸ The best history of the discovery of Indonesian customary law is a book by van Vollenhoven, *De ontdekking van het adatrecht*.

¹⁰ *Ibid.*, pp. 82-83

¹¹ See van Vollenhoven, *De Indonesser en zijn grond*

spread interest in adatlaw soon became noticeable among the civil servants. While recognizing that much fine work was done during this period by the East Indian civil servants, van Vollenhoven makes several critical observations about this work.³² The use of juridical terminology detracted from the intelligibility of the data; often there was lacking an understanding of Eastern classifications, valuations, and ways of thinking as differing from those of the West; the articles contained much historical phantasy; and most of the material was drawn from the Outer Islands on the apparent assumption that there was no adatlaw in Java. During this period Protestant missionaries became interested in adatlaw, in family and inheritance law in particular. The jurists were recruited from law graduates who had had absolutely no Indian orientation and hence were unprepared for the investigation of adatlaw and little disposed to have any sympathy for it. However, their attitude underwent a change and a few men did outstanding work in the field.³³

Three men stand out in this period as the founders of the scientific study of adatlaw. The first of these is Wilken, whose work van Vollenhoven declares to be of the first order and remarkable both for its extent and its richness.³⁴ Wilken, who was the son of a missionary stationed in the Celebes, served eleven years in the East Indian civil service, and became a professor in the Leiden training school in 1881. Here until his death ten years later he labored ceaselessly, lecturing and writing. The second of these men was Liefrinck, for thirty-five years a member of the East Indian civil service, who after his retirement published three important volumes on the adatlaw of Bali and Lombok. The third of the founders of the scientific study of adatlaw is C. Snouck Hurgronje, the world-famed Moslem scholar, whom van Vollenhoven characterized as a language scholar who became a statesman. Leiden conferred upon him the doctor's degree in 1880, on a thesis written on an Islamic subject. The next year he was made lecturer on Islamism at the Leiden Indian training school, and in 1884-85 he made his famous entry into Mecca, spending several

³² *Ontdekkung*, p. 96.

³³ *Ibid.*, pp. 112-118

³⁴ *Ibid.*, p. 99.

months there disguised as a Mohammedan, but being forced to flee because of an indiscretion by the French consul at Djeddah. In Mecca, Snouck Hurgronje mingled as much as possible with the East Indies colony of students and in this way learned much about many of the adatlaw institutions prevailing in the East Indies. While at Leiden he was an intimate friend of Wilken. In 1889 he was sent out by the Government to make a study of Islamic institutions in the East Indies; in 1891 he was made Adviser for Eastern Languages and Mohammedan Law. The title of his position was later changed, first to that of Adviser for Native Affairs, and later, 1899, to that of Adviser for Native and Arabian Affairs. During all these years he was engaged not only in scholarly investigation of native institutions, but also in doing statesmanlike work in serving the Government with recommendations on policy. Throughout his seventeen years in the Indies, Snouck Hurgronje lost himself in the native society and remained as much as possible outside of European social life. Few Westerners had learned to know Oriental life from within as he had done. In 1906 he returned to the Netherlands to enter upon his work as professor at Leiden University, from which he retired in 1927.¹⁸ His influence on Dutch policy in the East Indies has been very great. He was an unusual person who made an unusual contribution. Chaillez-Bert said of him that "God makes few men in his mold." Snouck Hurgronje was the first to use the term adatlaw to designate those adats or customs which have legal consequences, in distinction from those other usages and conceptions which are without legal consequences.¹⁹

The period since 1900 has been one of deeper discovery and of Western interpretation of adatlaw.²⁰ Adatlaw students began to see that to understand Eastern or primitive institutions they had to pro-

¹⁸ Among Snouck Hurgronje's published works are *De Atjehers*, 2 vols., of which there is an English translation under the title of *The Achenese*, 1906, *Het Gayoland en zijne bewoners*, 1903; *Verspreide geschriften*, 1923-1925, 6 vols.

¹⁹ On Snouck Hurgronje and the discovery of adatlaw see van Vollenhoven, *Ontdekking*, pp. 106-110.

²⁰ *Ibid.*, pp. 123 ff.

ceed from an Eastern or primitive point of view. For this the new spiritual atmosphere in Holland was most favorable. After 1900 the spiritual currents decisively turned away from "the rationalism and materialism of the century just closed and the Dutch acquired an open mind for archaic and Eastern thinking, mystical and medieval thinking, un-European and unmaterialistic thinking."¹⁸

It is significant that the leading workers in the field of adatlaw during this period were jurists. One of them, van Ossenbruggen, just recently ended his East Indies career as president of the High Court. It was in this period that adatlaw finally found its great advocate and its genius in the person of Professor C. van Vollenhoven. Entering upon his work as Professor of Colonial Law at Leiden University shortly after the turn of the century, he has in the course of the last thirty years performed prodigious labors in investigating, systematizing, and directing the investigation, study, and collection of Indonesian customary law. In van Vollenhoven were united all those qualities which he himself once laid down as necessary in an adatlaw scholar-statesman: "reverence for the indigenous element in customary law, a vigilant eye for the legal needs of the Indians, understanding of an altogether different system of law, and all this applied to living Indian law." From his key position as Professor of Colonial Law in the University at which the candidates for the East Indies civil service received their training, van Vollenhoven was able to exert a tremendous influence both on policy in the East Indies and on the States General. A score or more of doctoral dissertations within the field of adatlaw were written under his direction. As a result of his influence there are now in process two large collections of adatlaw material.¹⁹

¹⁸ *Ibid.*, p. 125.

¹⁹ *Adatrechtbundels*, under the auspices of the Royal Institute, begun in 1910, already comprising 26 volumes; and *Pandecton van het adatrecht*, begun in 1914, published by the Colonial Institute of Amsterdam, of which there are already 8 volumes.

CONTROVERSY OVER THE PRESERVATION OF CUSTOMARY LAW

The friends of customary native law have had to maintain a long contest for its preservation, and the controversy which the contest engendered is still going on. It flames up anew with every question involving adatlaw in any way. And it has not been a case of the friends of the natives all ranged on one side and the ruthless imperialists on the other. Among the advocates of unification was found van Deventer, an ardent friend of the Indonesians and one very active in their cause. Nor is the question a simple one; great problems had to be faced, whichever road was taken. In general it may be said that there is a fairly close connection between the views on adatlaw and those on administration. The protagonists of adatlaw generally favor the protectorate principle and the withdrawal of European officials from the lower reaches of the governmental service, while the adatlaw antagonists favor a further penetration by European administration.

Van Deventer stated his position in a leading article in *De Gids*,²⁰ in February, 1905, when the controversy over unification was at its height.²¹ He endorsed the statement so often used by Macaulay in the debates on Indian law reform: "Uniformity when you can have it, diversity when you must have it; but in all cases certainty." The principle of specialization should not become the basis for reform of the legal system in the East Indies, for the reason that it would be in conflict with the now rapidly developing juridical integration of the world. Now that the peoples of the world were being brought closer together by the new means of communication and transportation, people everywhere were feeling the need of removing the obstacle of differences in law. The Netherlands stood at the head of the movement for the unification of international private law, and yet in its

²⁰ Article also found in Colenbrander en Stokvis, *Leven en arbeid van Van Deventer*, II, 187 ff.

²¹ The controversy came to a head in the States General in October, 1906, when Minister of Colonies Fock introduced a law the purport of which was unification on the basis of European law. Three days of heated debate which held the whole country tense ended in the acceptance by Minister Fock of an amendment which was diametrically opposed to the purpose of his original proposal. See van Vollenhoven, *Ontdekking*, pp. 134-135.

own dependency, which might be called a microcosm of small nations, it would lead the law in a direction the disadvantages of which it had first experienced within its own boundaries and which it now felt it had to abandon as harmful in the community of nations.

Other opponents of customary law laid emphasis on the need of certainty of the law, a certainty which the frequently vague, always incomplete, and often chaotic adat cannot furnish. It leaves too much room for arbitrariness on the part of the judge. They also assert that it does not constantly develop with growing needs, and that instead of always reflecting the conviction of the people it just as often represents merely the ascendancy of the powerful and the "respectable." It is contended that adat law is incapable of fulfilling the legal needs of the increasing intercourse between the different juridical groups, that several legal institutions such as commercial paper and corporations²² are unknown to customary law. Judges often oppose it because in the application of law they desire, first, completeness, an answer to at least the main questions, and second, orderliness, not a loose conglomeration but a systematic whole. Others again assert that adatlaw is useful only in the simple, primitive society which gave it birth, and that the attempt to apply it to any of the larger problems of modern life is futile.²³

"Twenty-five years ago," wrote van Vollenhoven in 1925, "jurists, progressive politicians, and mission friends were very nearly unanimously agreed that hope of deliverance was to be expected from 'European law for all'—the jurists because they would then have a positive text as the basis for their civil jurisprudence or their legal opinions, and because British India had already experienced the bliss

²² The adatlaw apparently did recognize something very much like legal personality. A Commission for Legal Persons was appointed in 1929 to recommend legislation to clarify the law on Native Legal Persons, Native Associations, and Native Partnerships. The Commission reported in 1931 and legislation was subsequently passed. See Jb Zeylemaker, "Inlandsche rechtspersoonlykheid en inlandsch vereenigings en vennootschapswezen in Ned.-Indië," *Indisch Genootschap*, November 18, 1932.

²³ For the point of view of those who oppose adatlaw or warn against its overvaluation see. Nederburgh, *Tegenstellingen en samenwerking in Nederlandsch-Indië*; Hekmeijer, *De Indische Gids*, 1906, pp. 1297 ff.; Gennep, *Indisch Genootschap*, December, 1910; Nolst Trenite, *Vragen des tijds*, December, 1922.

of reforms along this line; the progressive politicians because European law, being superior and better law, would help to stimulate the economic sense of the natives and raise their welfare; mission friends, because the Christian Indonesian would be inducted into our family life through European law and led to a recognition of the individual and his worth.²⁴ But these attitudes have undergone great change. It was learned that the experience in British India had not been so happy, and that there was a marked turning away from the unification movement on a Western basis to which Macaulay had given such impetus. Politicians now plead for differentiation and missionaries are agreed that the same codified law for all native Christians is inadvisable.

The position of the protagonists of customary law is that law is a phenomenon of living society, that it is in a fluid state, in restless interaction with other social forces.²⁵ Law must answer social needs, and peoples differing in outlook, and in varying stages of economic and social development, must each have their own law. For each people its own customary law is best, for it is born of its needs and of its sense of justice and grows with its development. Customary law is living law, and if code law differs from it maladjustments and unfairness result.

The defenders of customary law also admit the need of greater certainty of the law, but hold that codification on a Western basis, by applying to the natives a new law which they do not at all understand, would create even greater uncertainty.²⁶ They also favor codification, but codification of customary law on such broad lines that the code will be valid for as large a district as possible, with room for local deviations to meet local customs. Such a code should regulate only that which conforms to predominant convictions and which can remain unchanged for an indefinite period.²⁷

²⁴ "Juridische confectiewerk," *Koloniale Studiën*, 1925, pp. 293 ff.

²⁵ For a statement of van Vollenhoven's views in a French text see Institut Colonial International, *Compte rendu de la session tenue à Paris les 17, 18 et 19 mai 1921*, pp. 363 ff.

²⁶ Van Vollenhoven, *Miskennungen*, p. 64. ²⁷ *Ibid.*, pp. 5, 6.

Customary law profited by a reaction against code law. Van Vollenhoven frequently makes short shrift of code jurists and the passive, machine-like judge. A leading jurist²⁸ friendly to customary law and opposed to codification points out that the distinctive mark of codification lies primarily in the shifting source of the law. Before codification, the judge must seek the rules of law in the intercourse of people; after codification, he finds it in a book. Codification was not so much a deed of creation as a description of what was the living law at the moment; but codes were not an exact description of the living law at the time of codification, and with time they become less so.

After a century of experience Europe is able to judge the results of codification. The advantages of certainty and uniformity were claimed for it, but the certainty is not complete, for the best lawyers and judges often do not know what the law is on a certain point. The code is very large and judges sometimes overlook articles, laymen still oftener. Much injustice results from tying the judge to the code. The code deals with the abstract, but the judge has to deal with a concrete case. There are thousands of cases which the law did not foresee, and circumstances are often such that a rule, fair in the abstract, becomes unfair when applied in the concrete. Codes should be merely guides for aiding the judge in his search for the living law, but the judge should seek always to go back to the living law, to the social facts, and must be free to do so. Adatlaw, which is still uncoded, and for the most part still unwritten, is still exclusively living law.²⁹

This sociological jurisprudence has its difficulties. The large num-

²⁸ André de la Porte says: "But the Indonesian should not be given instead of this living law a codified law which, in its incompleteness and its inflexibility, often becomes the caricature of law. The judge must be given the right of continuing to look for the law in life itself, where it is found more easily than in the code, because there is the place where it is born and where it grows in infinite and indescribable variation, and he should be given the liberty, in cases where no law rule is applicable because the rarity of the case challenges all rules, to follow, in completing this living law, his own sense of justice, in order that he may never become an author of injustice instead of the maintainer of justice." *Over codificatie van materieel privaatrecht in het bijzonder van Nederlandsch-Indisch adatrecht*, p. 25.

²⁹ The British in Malaya at first ignored adatlaw, but have learned to discover its value and are now preserving it.

"Customary law does not lend itself to codification, and there can never be any final-

ber, some twenty, of adat areas makes for conflicts now that these areas are no longer isolated and the population becomes more mobile. Furthermore, in an awakening country like the East Indies there is not one stage of social and economic development, but many, and the legal system must satisfy the needs of widely varying social milieus. With the social and economic development of the natives new legal needs suddenly spring into existence and new conceptions are awakened. Customary rules in conformity with them at the moment are lacking. A most striking example of this occurred when whole sections of the Archipelago went over to Christianity *en masse*. An attempt was made to direct the customary law of Christian groups into Western channels. The Governor General is empowered under the East Indies Government Act to declare the civil law applicable to them, but these people could not thus summarily be thrust under European law merely because they had gone over to Christianity. The East Indies Government faces the problem of providing a legal system which on the one hand will protect from injurious upheaval the slowly developing base of the Indonesian social pyramid, and on the other hand will be elastic enough to meet the needs of the rapidly advancing small group with Western orientation; a legal system which will answer the needs of the communal adat communities and the needs born of modern administration, intercourse, and education, and which will cover the relations obtaining in the villages and those obtaining in the large cities.⁸⁰

ity, for the law, even where reduced to enactments, is a living thing. Slowly perhaps, but inevitably, every system must change; unless it steadily develops and adapts itself to the progressing needs of the people it must fall into decay. Some degree of certainty in the law is, however, indispensable to the proper administration of justice, and case law possesses that combination of certainty and elasticity which is the best suited to the present needs of Rembau, especially since the principle is one with which the people are familiar. The adat was built up to a large extent by decisions of the Ruling Chief and *lembago*, and is therefore comparable to the Common Law of England which still possesses vitality and adaptability, to a remarkable degree. . . . Many old points of adat are still in doubt, and new cases will arise to which old principles must be applied. Changes must come, but they should be allowed to come gradually; if those who administer the law take ample case notes and preserve their decisions in accessible form the unhappiness of violent changes will be averted." E. N. Taylor, "Customary Law of Rembau," *Journal of the Malayan Branch of the Royal Asiatic Society*, VII, 1929.

⁸⁰ Ter Haar, "Een keerpunt in de adatrecht-politiek," *Kolomale Studiën*, 1928, p. 246; and de Kat Angelino, *op. cit.*, II, 1071-1072.

ASSIMILATION

There are four important dates in the legislative history of Indonesian customary law. Until 1747 the East Indian Company had not interfered with the native administration of justice, except that in its port cities or factories it had applied Dutch law to Orientals and Occidentals alike. In this year it decided to extend its justice to all the natives of Java, but those living outside of the large cities of Batavia, Semarang, and Surabaya would remain under their own customary law. In 1824 the East Indian Government abolished this exception and from this time forward customary law was applied to all the Orientals in the country; and in 1854 this regulation was embodied in the East Indian Government Act. In 1919 this provision was changed to the effect that customary law should gradually be replaced by statutory law. However, adatlaw must be respected unless there are good reasons for applying universal private law to all the racial groups or for applying either European or other specific provisions to natives.⁸¹

For the purposes of judicial administration all people in the East Indies, including visitors, are divided into three categories: Europeans, natives, and nonindigenous or foreign Asiatics.⁸² Under the first cate-

⁸¹ East Indian Government Act, Art. 131

⁸² 2. In the ordinances regulating civil and commercial law

- a. for Europeans the laws in force in the Netherlands shall be followed, departure from which laws, however, may be made either because of special circumstances in the Dutch East Indies or for the purpose of making it possible to subject one or more of the other population groups or divisions thereof to its provisions;
- b. the natives, the foreign Asiatics, and the subdivisions into which both of these groups of the population are divided, so far as their apparent social needs demand it, shall be subject either to the regulations applying to Europeans, modified so far as is necessary, or to regulations applicable to Europeans and natives in common, while for the rest the legal rules, tied up with their religions and customs, prevailing among them shall be respected, from which, however, departure may be made whenever the general interest or their apparent social needs demand it . . .

⁸³ 4. Natives and foreign Asiatics may, so far as they are not already subject to common regulations with Europeans, subject themselves in general or for specific legal transactions to the provisions of the civil and commercial law of the Europeans not applicable to them. This subjection and its consequences shall be regulated by ordinance.⁸⁴

⁸⁴ East Indian Government Act, Art. 163

⁸⁵ 1. Whenever provisions of this law, of general and other orders, regulations, orders

gory come all Europeans, all Japanese (since 1899), and all other persons who in their own country would be subject to a family law in principle resting on the same principles as the Dutch family law, and their children, legitimate or legitimately recognized. Under the classification of natives come all those who belong to the indigenous population of the East Indies, and also those who have become absorbed in the native population. As for mixed marriages, the wife comes under the category of her husband, the children under that of the father. Illegitimate children, unless legally recognized by the father, come under the category of the mother. The status of native Christians may be separately regulated. Under the category of foreign Asiatics come all nonindigenous Asiatics except Japanese, Filipinos, Turks, and Christians. The status of the last-named may be separately regulated by ordinance.

With respect to justice for natives the East Indies is divided territorially into two systems of jurisprudence, Government and Native

of police, and administrative regulations, distinguish between Europeans, natives, and foreign Asiatics, the following rules obtain for their application

"2 To the provisions for Europeans the following are subject

a all Netherlands;

b all persons of European origin not included under 'a';

c all Japanese and, further, all persons having their origin elsewhere, not included under 'a' and 'b,' who in their own country would be subject to a family law based upon the same principles as the Netherlands law;

d the legitimate or illegitimate acknowledged children and further descendants born in the Dutch East Indies of persons dealt with under 'b' and 'c.'

"3. To the provisions for natives are subject all persons, with the exception of native Christians whose legal position is to be regulated by ordinance, who belong to the indigenous population of the Dutch East Indies, and who have not gone over to any of the other population groups than those of the natives, and also those persons who belonged to a population group other than that of the natives, but who have assimilated themselves to the indigenous people

"4. To the provisions for foreign Asiatics are subject all persons, with the exception of those among them who have accepted Christianity and whose legal position is to be regulated by ordinance, who do not fall under the terms of the second and third clauses of this article.

"5 The Governor General may, in agreement with the Council of the Dutch East Indies, declare the provisions for Europeans applicable to persons not subject to them. The declaration of applicability is binding from the point of view of law also upon the legitimate and illegitimate acknowledged children born thereafter and further descendants of the person concerned.

"6. Each may in accordance with rules to be laid down by ordinance determine through the court to which category of persons he belongs."

Jurisprudence. This territorial division does not coincide with directly and indirectly governed territory, for Native Jurisprudence is sometimes found in directly governed areas, and the reverse is also true. About one-fifth of the population is still under Native Jurisprudence, which differs from Government Jurisprudence in three respects: it has its own judicial organ, based upon the adat institutions of the people concerned; it has its own procedural law, that of the customary law, stripped of all practices in conflict with recognized principles of fairness and justice; and it has its own crimes and adat penalties. However, the customary-law penalties are nowhere fully maintained, but have been modified by regulations based on Western conceptions. Under Government Jurisprudence the European substantive criminal law is followed.

Encroachment on customary law may take place in several different ways. Some provisions of substantive private law may be made applicable to members of all population groups. Certain provisions at first applicable only to Europeans and foreign Asiatics have later been extended to natives. Included under these are management and discipline on East Indies merchantmen and the hiring of servants and employees. Certain legal provisions apply to all persons coming into the stated legal relationship. Natives may also withdraw themselves from the jurisdiction of their customary law by voluntary submission in whole or in part to European law. Complete submission is irrevocable and takes place by a process not unlike naturalization. The whole of European civil and commercial law then becomes applicable to them. For this submission a married man must have the consent of his wife and the submission extends to the wife. The submission of the father and unmarried mother extends to their wards and children and their descendants. The submission leaves unchanged the right to the exercise of native rights to land. Natives may also partly submit themselves to European law, in which event only certain parts of the Dutch civil and commercial law become applicable, and they come into the legal position of the foreign Asiatics other than the Chinese. A third form of submission is the submission for a given legal trans-

action. In this event only that part of the civil and commercial law immediately related to the transaction becomes applicable. Silent subjection forms a fourth form of withdrawal from customary law. For certain transactions not regulated by adatlaw, but solely by European law, the native is assumed to have voluntarily submitted himself to the European law for that transaction. Life insurance is an example of such a transaction.⁸⁸

Appeals in customary law cases now go to the Councils of Justice and the High Court, both of which are European courts. The members of these courts are not experts in customary law; a proper development of customary law is therefore excluded. Consciousness of right comes not from the law, but the law should come from it. Mr. Ter Haar, professor of colonial law at the East Indian Law School, advocates a special High Court for appeals in adatlaw cases.

There is also in Java and Madura, because of their Mohammedan population, a religious jurisprudence exercised by priest councils, since certain legal questions such as those of family and personal law can, according to the Koran, be decided only by a believing judge. These priest courts follow the rules of Mohammedan law, which is often in conflict with adatlaw and hence not in consonance with the living sense of justice of the Indonesians. There is also much complaint of spoliation in these courts, and measures are under consideration to limit their jurisdiction.

The whole European law was in 1919 and 1925 made applicable to Chinese, save for a few minor matters like adoption. However, their cases still come before the native courts. Other nonindigenous Asiatics, with the exception of the Japanese, of course, who are assimilated to the Europeans, are subject to the Dutch civil and commercial law with the exception of family and inheritance law. So far as European private law is not applicable to them they are subject to their own

⁸⁸ For voluntary submission see Tobi, *De vrijwillige onderwerping aan het Europeesch privaatrecht*. The number who have voluntarily submitted themselves to European law is small. It naturally appeals only to the more advanced natives, but it is just among these that the sentiment of nationalism is strongest. The nationalists regard submission as a form of denationalization.

customary law. With respect to adjective law the foreign Orientals are assimilated to Europeans in civil cases and to natives in criminal cases.

For several years past there has been a demand for eliminating as much as possible the differences in law and judicial proceedings between the different racial groups. The first result of this movement was the creation in 1914 of the *landgerechten*, courts for handling minor offenses by whomever committed. However, the preliminary examination of Europeans is performed by European officials. Before 1918 there was both a European and a native criminal code, but both were based on the French criminal code, so the difference was largely formal. In 1918 even this difference was removed by the substitution of a common code. The legal position of the various groups may be summarized as follows: in constitutional and administrative law there still exist important differences between the various population groups; the same substantive criminal law is applied to all population groups except those under native jurisprudence, and even here the departure is no longer great; minor criminal offenses of all population groups come before the *landgerechten*, or land tribunals; substantive private law is practically the same for Europeans and Chinese, and largely also for the other nonindigenous Asiatics; a different law is applicable to Europeans and Indonesians with respect to substantive private law and procedural private and criminal (excluding the cases which come before the *landgerechten*) law; about the only remaining difference in the legal position of the Europeans and foreign Asiatics is found in the procedural criminal law, in which the latter are assimilated to the Indonesians.

The Dutch East Indian Government finds a peculiar judicial problem placed before it because of the recent events in China. The Chinese in the East Indies resent assimilation to the Indonesians in criminal procedure. Aside from the fact that it savors of the extra-territoriality so hated by the Chinese nationalists at home, they resent the inequality of appearing before a court different from that for the Europeans and the lesser protection in such matters as house searches,

preventive custody, and preliminary examination. In May, 1931, the Chinese Government introduced a Western civil code with a family law based upon monogamy. The East Indies Government Act⁸⁴ states that all persons who in their own country would be subject to a family law based in substance upon the same principles as those of the Dutch family law shall be assimilated to the regulations for Europeans. The Chinese therefore now demand that their cases be brought before the European courts, thus eliminating the last important difference in legal position between them and the Europeans. The East Indies Government has declared its willingness to accede to their wishes, but financial difficulties make its execution impossible for the present. And there is undoubtedly another consideration causing the delay—the fear of the resentment which this assimilation of this large group would cause in the native world. There are over a million and a quarter Chinese to only a quarter of a million Europeans, which means that the European court personnel would have to be increased almost five-fold to take care of the increased number of cases which would come before the courts for Europeans.⁸⁵

QUASI-INTERNATIONAL PRIVATE LAW

So many different kinds of law within the same general jurisdiction must naturally mean a large number of conflicts of law. Fewer such occurrences arise than might be expected, probably owing to the fact that the population is still rather immobile. As the population develops and becomes more mobile these conflicts are bound to increase in number; however, the increasing mobility of the population as a cause of increase in conflict of law will be offset by the greater amount of uniformity which it is sought to bring into the law, at least as far as the main outlines are concerned. The term "quasi-international private law" has been used, and also "interracial" law, when it involves conflicts between the legal systems of the various races or ethnological

⁸⁴ See footnote, pp. 189 f.

⁸⁵ See Neytzell de Wilde, "De rechtsbedeeling der Indische bevolkingsgroepen, in ontwikkeling en verwikkeling," *Indisch Genootschap*, 1931, pp. 84-116; also Vandenbosch, "A Problem in Java," *Pacific Affairs*, November, 1930.

groups, and "interlocal" or "interregional" law when it involves a solution of the conflicts between the divergent customary law of different localities.

The East Indies Government Act fails to state what law shall be applied to these conflicts of law. The Governor General and the Volksraad may regulate this as they see fit. Interracial law regulations on specific subjects, such as mixed marriages, have been laid down, but such regulations are still few. Hence the courts are quite free in these cases. In the event of conflict of civil law the courts, in the absence of special rules, must decide what law is applicable, basing their decisions upon the intention of the parties, the nature of the legal relationship, the needs of social intercourse, and analogies of international private law.⁸⁸

ORGANIZATION OF THE JUDICIARY

Three categories of courts are found in the East Indian judicial organization: government courts for Europeans, government courts for Indonesians, and government courts for all population groups.⁸⁹ The highest court is the *Hooggerichtshof*, or High Court, the seat of

⁸⁸ In ironing out the conflicts of interracial and interlocal law the courts often face very knotty problems. However, the courts have in the course of the years pricked out the main lines of this quasi-international private law. When a person has permanently left his adat community his personal adatlaw ceases to apply to him; the local adatlaw where he now resides applies. There is thus a shift from personal or interracial to interlocal law. Sometimes European law becomes applicable to such groups, depending upon the nature of the case. Where mixed marriages are concerned, the rule is that property descends according to the law of the deceased. Acknowledgment of illegitimate children is permissible if permissible under the law of the acknowledger. Since no acknowledgment of parenthood of illegitimate children is permissible under Mohammedan law, it means that most natives cannot acknowledge. See Kollwijn, *Het hooggerichtshof van Nederlandsch-Indië en het intergentieel recht*. Also see article, "Quasi-internationaal recht," *Encyclopaedie van Nederlandsch-Indië*, V, 347 ff.

Some of the problems arising under interracial law may be noted as they relate to a natural child of an Indonesian woman by a European father. When the father acknowledges the child the civil relationship between the mother and the child is broken, and the relationship can only be recovered by the father and mother. This law has been adopted to protect the property of the child, which property otherwise would be inherited by the Indonesian mother should the father die first. Legislation provides that the mother can never be the guardian of the child. See Kollwijn, "Het buitenecht geboren kind in het intergentieel recht," *De Stuw*, II, 1-6.

⁸⁹ There are, of course, also such indigenous courts as are found in the villages. The classification given above deals only with the courts instituted by the Central Government. For the judicial organization see Kleintjes, II, 275 ff.

which is at Batavia. The President of the court is named by the Crown, while the Vice-President and members, whose number is not specified by the East Indies Government Act, are named by the Governor General with the advice of the Council of the Indies. The judges need not be Netherlands; and thus Indonesians are also eligible, though to date none has been appointed. In cases involving the Vice-President and the members of the Council of the Indies the High Court has original jurisdiction. Its appellate jurisdiction is defined by law. It is also charged with the general supervision of the work of the lower courts.

Next come the six councils of justice, at Batavia, Semarang, and Surabaya in Java, Padang and Medan in Sumatra, and Makassar in Celebes. They have both original and appellate jurisdiction in civil cases involving Europeans and those subject to the European civil and commercial law and in criminal cases over Europeans only. Their appellate jurisdiction extends over Europeans and natives in civil cases and over natives, foreign Asiatics, and Europeans in criminal cases. The residency court constitutes the lowest court for Europeans, and is composed of a single judge. The judge of the residency court serves in a double capacity, as he is also chairman of the *landraad*. In Java and Madura he must be a law graduate, but in the other islands the residency judge is often an official of the interior administration. Thus the executive and judicial functions have not yet been separated in all parts of the Outer Territories. These courts have a jurisdiction in civil cases involving amounts of not over 1500 florins, and all labor agreements regardless of the nationality of the parties. In the Outer Territories these courts also have jurisdiction over minor offenses, but where *landgerechten* have been instituted criminal jurisdiction has been taken from them.

The most important government court for natives is the *landraad*, composed of a judicial official (at least in Java and Madura) as chairman, besides a regent, if there is one, or a former regent, and such important native chiefs as the Governor General may designate as members. Attached to the court is also a clerk and a *djaksa*, or prose-

cutor. In the Outer Territories the chairman is not always a jurist; frequently he is a member of the interior administration. The chairmen of the *landraden* are mostly Europeans, but several *landraden* are now presided over by Indonesian lawyers and their number will rapidly increase. The *landraad* is the general court for civil cases involving natives and criminal cases involving natives and nonindigenous Asiatics. In a few places in the Outer Territories there are district councils and magistrate courts of the same rank and function as the *landraden*. Beneath the *landraden* are regency and district courts, having jurisdiction over minor civil cases and misdemeanors.

There is finally the *landgerecht*, a court for all population groups with minor criminal jurisdiction. This court was established in Java and Madura in 1917 to replace the *politie rol* and residency courts, so far as the latter had criminal jurisdiction. These courts had become a cause of great dissatisfaction among natives and Chinese because of the union of administrative and executive functions in the same persons and because of the absence of procedural guaranties. They insisted that persons of all population groups should be tried before the same court, with a trained jurist as judge, for all police violations. By the institution of the *landgerechten* a breach was made in the system of dualism.

Chapter XIII

EDUCATION

THE EAST INDIAN COMPANY little concerned itself with education, and the meager educational opportunities it provided were open only to Christians, whether European or native.¹ The first evidence of concern for the education of the Mohammedan population is found in an instruction of Governor General Daendels of 1808, in which he ordered the regents of Northeast Java "to provide for the education of the youth in the morals, customs, laws, and religious conceptions of the Javanese." This instruction is significant for the reason that Daendels apparently envisaged a form of national, or indigenous, education. There is no evidence that these instructions were ever carried out. Nor did the English in their brief interim rule concern themselves with the problem of education. By the time of the restoration in 1816 even the few schools left by the Company had fallen into complete decay.

ELEMENTARY INDIGENOUS EDUCATION

The East Indies Government Act of 1818 marks an official change of attitude. In this act the Government took upon itself not only the extension of educational facilities to Europeans, but also the supervision of such native schools as existed.² Furthermore, the European schools were thrown open to natives. Plans based upon these provisions never materialized, as far as native education was concerned. The pressing necessity of the home treasury, largely brought on by the troubles

¹ For the history of public education in the East Indies see *Publicaties* Hollandsch-Inlandsch Onderwijs Commissie, No. 9, "Historisch overzicht van het regeerings-beleid ten aanzien van het onderwijs voor de inlandsch bevolking."

² Indigenous education is exclusively religious education, given in three types of schools, Koran, *Pesantren*, and *Tarekat* brotherhood schools. The Koran schools give a very elementary instruction in learning to recite the Koran and in performing the Moslem ritual and other duties. The *Pesantrens* are boarding schools for more advanced religious education. There are, lastly, a number of brotherhoods or *tarekats*, whose members receive instruction in Mohammedan mysticism. Completion of training in law and doctrine is expected of those entering the *tarekats*, but in practice many totally untrained people are admitted.

with Belgium, caused these plans to be thrown into the discard. More significant still, every provision for native education disappeared from the East Indian Government Act of 1836. All welfare expenditures had to be lopped off the East Indies budget in order that there might be surpluses to send back to the Netherlands. The day of the "culture system" had arrived.

Beginning in 1848, the Government set aside annually 25,000 florins for establishing schools among the Javanese. This act is not to be ascribed to increasing liberal influence in the home government, for there was no thought yet of providing popular education. These schools were meant primarily for the education of lower native officials. New conditions were demanding standards of administration which the uneducated native officials could no longer meet. Adherence to the principle of hereditary succession made this problem more difficult. Sons of native heads failed to receive the education necessary to prepare them for their work, with the result, as Minister Baud wrote in 1845, that when the time came to appoint them to office the Government found itself placed between the alternatives of appointing a useless servant or of departing from a wholesome principle. The liberal influence on colonial policy is first reflected in the East Indian Government Act of 1854, which declared public instruction to be an object of constant care on the part of the Governor General and charged him with the duty of providing schools for the native population. Since this date the objective has been education for the masses of indigenous population. The only question which remained was the means of attaining this objective.

Since the ideal of general popular education was not attainable in the near future, plans had to be modified to suit the more immediate needs and possibilities. The immediate objective then became education for the children of native heads, and as much as possible for the children of the lower classes. Education was no longer limited to the children of the native elite; they were merely given preference. The extension of native education was vigorously pushed. In 1864 the first inspector of native schools was appointed and in 1867 a depart-

ment of education established. Expenditures on native education increased from 25,000 florins in 1863 to 1,250,000 florins in 1882. The number of new schools could at first be increased only slowly. The children of the upper classes, who until then were the only ones to receive an education, were little inclined to enter the teaching profession. Teacher-training schools had first to be established and it was not until after these began to send out graduates in any number that the number of schools could be rapidly increased.

The needs of the various classes of the indigenous society were not the same, nor were conditions in all districts uniform. The solution to the problem of meeting these diverse educational needs was first sought in a school program of optional studies, but this attempt failed. There was a natural tendency to set the maximum program as the general goal, whereas usually a much less ambitious course of studies would do. These schools were much too costly for any wide extension. A further basic difficulty was the dual purpose which the schools were made to serve. They had to serve the double function of training the children of the nobility for their future work as officials, and the general development of the populace. As a way out of this difficulty, in 1893 the schools were divided into two types, called first- and second-class schools. The first-class schools were intended for the aristocratic and wealthy classes, their aim being to supply the demand for trained men in the Government service and in commerce and industry. The first-class schools would bear the character of special instruction, answering the peculiar needs of a small fraction of the population. The second-class schools, on the other hand, were designed for general extension and the development of the general population. They would, therefore, be closely adapted to the social needs and the environment of the pupils. The first-class schools later (1912-1914) became what are now known as the Dutch-Indonesian schools. In neither of these schools was Dutch the medium of instruction, nor was the language even taught.

The extension of popular education in tropical and semitropical countries faces the very difficult problem of costs. Indigenous econ-

omy produces so little that it can support the institutions of Western civilization, if at all, only on the simplest basis.³ This the Dutch early discovered in their effort to spread popular education in the East Indies, and the problem still remains unsolved. They soon discovered that it would be quite impossible to cover the East Indies with even the second-class or standard schools, as they were later called, simple as they were in equipment and program. Moreover, even these schools were not sufficiently adapted to the needs of the indigenous society. A solution was finally found by Governor General van Heutsz in 1907. Van Heutsz concluded that indigenous popular education must be left to the *desas*, or villages, in order that local forces might be mobilized for the provision of popular education. The *desa*, or folk, schools would answer the simple needs of the fishing and agricultural population. The schools were to be financed by the indigenous communities, with subsidies from the central treasury. A division of labor between the government and folk schools was now demanded. Whereas the *desa* schools were designed for the simple needs of the rural population, the second-class or standard schools, established at central points, would serve to train the folk-school teachers and extend education to persons wishing to enter commerce or industry or become wage earners. The villages pay for the construction and maintenance of the schools, while the Government pays the salaries of the teachers. To communities otherwise unable to maintain schools the Government grants additional aid, such as loans without interest and the free extension of school supplies. Pupils pay small fees, based upon the income of the parents and the number of children in school from the same family. These fees go to the village-school treasury. The standard and continuation schools are wholly supported by the Government.

In pursuance of legislation passed in 1936 a considerable transfer-

³ Compared with Western countries the school population is larger and the per capita or family income smaller. Children of less than sixteen years of age constitute 42 per cent of the population of the East Indies and only 35 per cent in the Netherlands, whereas the average income per family is not over 200 florins in the East Indies and about 2400 florins in the Netherlands.

ence of responsibility and administration from the Central Government to the provincial and local governments of Java and Madura has already taken place. From the regulations of transference are excluded special education and schools for Western lower education. The Central Government reserves the power to determine the curriculum, the qualification of teachers, and every other matter which determines the character of the education.

The responsibility of providing for the folk schools remains with the native municipalities, with aid from the regencies if needed. The care of the continuation schools has been transferred to the regencies, while the native vocational schools have been transferred to the regencies and urban municipalities. The training of folk-school teachers has become the task of the regencies and urban municipalities, and the training of continuation-school teachers now rests with the provinces, as also the suspension of the folk and continuation schools and the supervision of the training of the teachers for these schools.

The Dutch policy of differentiation in accordance with need has led not only to a bewildering multiplicity of institutions to satisfy the requirements of the different racial groups, but even to a variety of institutions to meet the diverse needs within the indigenous group itself. In giving a picture of the structure of the school system on an indigenous basis we must exclude first-class or Dutch-Indonesian schools, for though intended for native children they are distinctly Western in character. The schools on an indigenous basis so far described are the folk schools found in the villages and rural districts, offering two or three years of primary instruction, and the standard schools situated in the towns and cities and offering five or six years' schooling. People in the country and villages desiring further education for their children may send them to town or city to attend the standard schools. Frequently, as where each village in a cluster of villages has its own folk school, a so-called "continuation" school is established, offering instruction equivalent to the last two or three years of the standard schools. The medium of instruction in the *desa* and standard schools is Malay or the local vernacular. The Dutch

have not attempted to introduce a common language, not even into the schools on an indigenous basis. Malay might easily have been introduced as the common medium of instruction, for it already enjoys a very extensive use throughout the Indies. In spite of the great diversity of local languages—there are some twenty of them—the Dutch have withstood the temptation of taking the easy way out through language unification.

This simplification of schools and their adaptation to the social environment made it possible to extend education to a larger part of the population, but it created another problem. Secondary and higher education is Western education, with Western standards and with Dutch as the medium of instruction. The folk and standard schools did not tie up with the secondary schools. This meant that the door to higher, Western education was closed to most of the children, to whom Dutch-Indonesian schools were inaccessible. Some way had to be found of bridging the gap between elementary indigenous education and education on a Western basis, in order that the road to higher education might not be closed to the more promising and ambitious students. As a solution to this problem the Government in 1921 established what are called the Link schools. These schools have a five-year curriculum and pupils may enter from either the folk or the standard schools. Dutch is, of course, the medium of instruction in these schools.

The Link school may be regarded as a fortunate invention, though not without its drawbacks. It has the great advantage of keeping the children in their indigenous sphere during their early years, enabling them to fix their roots in their own national culture. Instruction in a foreign language before children have mastered their own denationalizes them, hinders their mental development, and tends to distort their whole personality. The first years of primary instruction should be purely indigenous. However, the Link schools have the disadvantage that preparation for entrance to the secondary schools by way of the folk or standard and Link schools requires eight years, whereas it takes seven by the direct route of the Dutch-Indonesian schools.

ELEMENTARY VOCATIONAL EDUCATION

The basis of a civilizing and welfare policy in backward tropical countries must be an economic one. The natives must be made prosperous in order that they may be able to support more of the institutions of civilization. But if education is to make the native more prosperous it must fit him more efficiently to his environment and at the same time help to make his environment better. To this end a practical as against an academic education is advocated. This praiseworthy policy faces two great problems. In the first place, natives still largely regard education, even the most elementary education, as a means of escaping from manual labor and as an entrance to clerical or minor governmental positions. Parents therefore prefer general education for their children, and, if possible, Western education. They are not attracted by trade or agricultural education. However, as elementary education becomes more general this attitude will tend to disappear. A second great problem is the almost insuperable difficulty of building up and extending throughout the islands a substructure of general education on which all forms of specialized education must be based. The very elementary three-year folk schools hardly offer a sufficient body on which an effective amount of vocational education can be successfully engrafted or superimposed.

The mission schools were the first to strike out in the direction of a more practical education, but in this in the early years they were retarded rather than assisted by the Government. School inspectors long opposed the teaching of cooking, mending, and sewing to girls, and even today mission schools would gladly forego the Government subsidy if they could afford it, in order that they might be freer to adjust methods and curricula more nearly to the needs of the society they serve. To date the Government has done very little in the way of elementary vocational education.

A beginning was made in 1909-10 when the Government established a manual training school with a three years' course, in each of the three large cities of Java: Batavia, Semarang, and Surabaya.

Courses are offered in woodworking and ironworking and the instruction is given in Malay. Boys from thirteen to seventeen years of age, if graduates of the standard schools, are admitted. These three schools enroll about 800 students. The schools have not been successful in creating native craftsmen, for they attracted a class of students who had an ambition to become something more than just workers. Upon the basis of this experience it was decided to establish a number of simple, two years' schools within the reach of the villagers. This program was started in 1915 and to date thirteen of these schools have been established. The municipality of Bandoeng has also erected a trade school which receives a subsidy from the Central Government. A number of other small trade schools have been established upon private initiative, by missionary societies and sugar companies. Instruction in the trade schools has been criticized as too theoretical. The high demands for admission and the small number of trades taught have also been objects of criticism.

A large number of other vocations are taught, either in separate institutions, such as the assistant apothecaries' school at Batavia, the veterinary medicine school at Soekeboemi, or in courses attached to various government departments, such as courses training vaccinators, midwives, nurses, analysts, and controleurs with the health department, station masters and telegraph operators, and laboratory assistants. There are, of course, a large number of teacher-training schools.⁴

Agricultural education in Netherlands India can be divided into two types. There is agricultural education tying up with Western lower education. This education is given in three schools, the Agricultural High School at Buitenzorg and the Culture Schools at Soekeboemi and Malang. The first-named school trains students for service with the Agricultural Information Service, the Forestry Service, and the large Western agricultural enterprises. The two latter schools prepare candidates for the lower positions in the Agricultural and Forestry Service. The second type of agricultural education is based upon

⁴ The training of native administrative officials is discussed in chap. xi, "The Civil Service."

indigenous lower education and is given in agricultural trade schools and so-called agricultural courses. The agricultural trade school represents a reorganization of a former school which was too elaborate and gave education of too theoretical a kind to be of benefit to native agriculture. The present school is closely adapted in every way to the local native agriculture. Most of the instruction is practical, only such theoretical instruction is given as is necessary to explain what is done in practice. The direction of the school is in the hands of an experienced adjunct agricultural adviser. Since the success of this school is dependent upon the continued contact with former students, a second instructor is being added whose special duty is to keep contact with the students after they leave school and have started farming on their own account.

The present agricultural courses also represent a departure from the early courses, begun in 1917, in purely formative agricultural education. The courses since 1923 have been on a thoroughly practical basis. The courses are given to graduates of the folk schools by Indonesian folk-school teachers. They continue over two years; lessons and demonstrations lasting an hour and a half each are given twice a week. Demonstrations are given in a practice field or in the fields of the persons enrolled in the course. The course teachers are trained in so-called "teacher courses." Weekly lessons are followed for two years; assistant agricultural advisers are the instructors. The folk-school teachers remain under the regular supervision of the assistant agricultural adviser even after they become course leaders in their respective villages.

In 1927 the Department of Education decided to take steps to improve and popularize native lower education. One of the steps decided upon was the extension of the course of twenty standard schools from five to six years. This last year was to be given over to agricultural education. For this last or agricultural class there were at the moment no suitably trained teachers. The normal school graduates lacked practical knowledge and ability to perform demonstrations. In order to train the teachers necessary for this agricultural class of the stand-

ard schools the Department of Agriculture, Industry, and Commerce coöperated to establish in 1929 the Training School for Agricultural Teachers, "Kota Batoe," at Buitenzorg. It offers a year's course and admits graduates of normal schools which give instruction in agriculture. All the instruction is simple, practical field instruction, such as will fit in with the simple native agricultural economy.

WESTERN LOWER EDUCATION

Western lower education, which uses Dutch as the language of instruction, has a twofold purpose. It serves as popular education for the Europeans and as special training for Indonesians. Before 1850 the Government as a general rule provided education for Europeans only so far as they were unable to send their children to private schools. As a result the Government schools were predominantly attended by Eurasians. With the rise of liberal influence after 1848 a change in policy took place. The Government recognized the obligation of providing a system of lower Western education for Europeans with standards equal to those in the Netherlands. As for the natives, these schools for Europeans were the only schools in which they could obtain a Western education throughout the 19th century. In the beginning, when few natives sought admission to these schools, there was a fairly liberal entrance rule. But when their numbers began to increase rapidly, and when after 1848 the Government began to erect schools for the natives, a different attitude developed. Governor General Rochussen was "fully convinced of the disadvantages, principally of a political nature, which can proceed from such mixed education." By decrees of 1849 and 1851 admission of natives to the European schools became exceptional. The Government did not close the schools to natives entirely, out of fear of the offense it would cause, but it did close them to Chinese. This action fitted in with the administrative policy of those days with respect to the official language. The idea was to use and develop the native languages. European officials were expected to learn the native languages and the native officials were not required to learn Dutch.

With the coming into office of Liberal ministries at home a more liberal policy was introduced. In 1863 the European schools were opened to Christian natives and the children of regents, and in 1864 the European primary schools were in principle thrown open to all, upon conditions to be laid down by the Governor General. These conditions, definitely fixed in 1872, included age qualifications, higher school fees, and a command of Dutch. Until 1864 only Eurasians could obtain positions in Government offices, but in that year these were thrown open to natives. This made Dutch education necessary. Use of Dutch by native officials was now generally encouraged, and thereby the old traditional language policy broken. During the 'eighties and 'nineties there was some recession from this general policy of making Dutch education more accessible to the natives, but with the advent of the ethical policy with the turn of the century the extension of Dutch education among the natives was greatly accelerated. The first-class schools were in 1907 and 1914 converted into the Dutch-Indonesian schools, and in 1908 the Dutch-Chinese schools were established. These schools are like the European schools, with Dutch as the medium of instruction and with children from these racial groups only. With the Dutchification of the first-class schools native admission to the European schools was again made more difficult.⁵

GOVERNMENT SUBSIDIES TO PRIVATE SCHOOLS

The Dutch extended education to native Christians from the first days of their conquest. Conversion to Christianity was regarded as a sort of naturalization process entitling the Christianized natives to many of the privileges of the rulers. By the time the Dutch Government became the successor to the East Indian Company the conception of government neutrality toward religious matters had won the field, and until 1890 the East Indian Government maintained an attitude almost of hostility to Christianity. Whereas it gave subsidies to

⁵ A high school exclusively for American children was maintained in Manila until an order by Governor General Roosevelt abolished the racial qualification for entrance in 1932. The curriculum was correlated with those of high schools in the United States as an aid to those who expected to continue their studies on the mainland. *New York Times*, June 10, 1932.

other private schools, it would not grant them to Christian schools. But in 1890 a coalition of Church parties, Catholic and Protestant, came into control of the Government in the Netherlands after a long campaign waged largely on the issue of government subsidies to religious schools. With this shift at home the attitude of the East Indian Government also began to change. Thus the rapid growth of the number of government-subsidized Christian schools since 1890 reflects a similar development in the Netherlands.

The subsidies are granted to all private schools on the same conditions. Briefly, the conditions are: evidence of the need for the particular school, the maintenance of the same standards as those laid down for Government schools of the same type, and the observance of certain regulations. When these conditions are met the Government grants very liberal subsidies, often as much as one-half of the costs of construction, maintenance, and salaries. Not only do missionary societies avail themselves of these subsidies, but also other groups such as Mohammedans and Europeans who desire religious education for their children. Even nonreligious societies have set up schools to take advantage of these grants, giving religiously neutral education in their schools but seeking actively to promote other ends or ideals. The Chinese and the Arabians have erected many private schools. Since the indigenous national-cultural schools desire complete freedom from outside control, few, if any, have asked for Government subsidies. About 20 per cent of the school children are found in private schools.

The policy of subsidization is justified on several grounds. The Government stands before an almost insuperable task and it feels it ought not to spurn any aid that may be offered it. A florin in subsidies goes nearly twice as far as a florin spent directly, for it is matched by an almost equal sum from private sources. Education in Oriental countries must be strongly colored by religion if it is to produce the highest results. Verkerk Pistorius, a school inspector in the East Indies, warned his Government in a memorandum of 1885 that "neutral folk education, which by its very nature remains close to the soil,

cannot of itself raise a half-civilized people to a higher stage of civilization. Religion (and the school only when in the service of it) has at all times and in all lands been the indispensable lever for that purpose." Mayhew, in discussing this problem with respect to India, wrote, "The Government has offered much that appealed separately to the sentiment, the intellect, and the economic needs of India. It has not so far offered anything to which all that is fundamental in the Oriental character can simultaneously respond. And it is almost certain that a foreign government debarred from religious activity can never offer this."⁶

The social value of missionary schools can be seen in the early and effective efforts of these schools in bringing education to girls, and the importance of education for girls in an Oriental society can hardly be overestimated. "It affects vitally," concluded the Hartog Commission, "the range and efficiency of all education. The education of the girl is the education of the mother, and through her, of the children. The middle and higher classes of India have long suffered from the dualism of an educated manhood and an ignorant womanhood—a dualism that lowers the whole level of the home and domestic life and has its reaction on personal and national character. Many of our witnesses have emphasized the dominating influence of the woman in the Indian household and especially in the training of her children. 'A literate woman,' says one of our witnesses, very justly, 'is a far better and surer guarantee of the coming generation than a literate man. An illiterate woman on the contrary is in her own time very often the cause of the stagnation not only of the generation that is slowly growing up, but of the generation which is in the prime of life as well.'"⁷ The missionary societies were the first to see the need of education for girls and were the first to erect schools for them. Girls constitute only one-seventh of the enrollment in the public schools; in Christian private schools they represent one-third of the enrollment.

⁶ *The Education of India*, p. 6

⁷ Indian Statutory Commission, *Interim Report*, pp. 150-151

SECONDARY AND HIGHER EDUCATION

The Dutch were exceedingly slow in developing secondary education, to say nothing of higher education, even for Europeans. The first secondary school in the East Indies, the *Gymnasium Willem III* in Batavia, was established in 1860. In contrast with the extreme differentiation in the field of lower education, the system of secondary and higher education developed on a unitary basis. However, it was not until 1874 that the first Indonesian was admitted to a secondary school, and he was a grandchild of one of the Javanese princes. The number of Indonesian students in the secondary schools remained very small for many years. The only institutions in which Indonesians could freely pursue higher education were the School for the Training of Indian Physicians founded in 1851, the normal schools, and the so-called head schools, established in 1878 for the purpose of training the sons of native hereditary officials. The general secondary school system practically dates from the last twenty years.

The secondary system as it has developed consists, first of all, of a three-year substructure called the *Mulo* school, and a three-year superstructure called the General Secondary school. Of the latter there are three divisions: the Western Classical, the Mathematical and Natural Science, and the Eastern Literary Division. The *Mulo* school serves three purposes: it provides finishing education for students who expect to go no further, it prepares students for the General Secondary school, and it also prepares students for diverse trade schools. In addition, there are the General High schools, with three- and five-year courses. A diploma from the General Secondary school and the five-year course of the General High school gives admission to the three professional schools in the East Indies and to the Dutch universities.

The East Indian Government was very slow to provide educational institutions of university rank. Such friends of the East Indies as van Deventer were of the opinion that Indonesians desiring university education should go to the Netherlands to pursue it and that the Government ought to aid such students by granting them loans with-

out interest. The Government in 1918 departed sharply from its previous position that the Indies was not yet ripe for higher educational institutions, and began to prepare plans for their creation. The various colleges were to be established in the order of their social need. In 1924 the first two colleges, maintaining standards on the same level as similar colleges in the Netherlands, were opened. The Technical School at Bandoeng, a private institution established in 1920, was taken over by the Government in 1924 and reorganized, and in the same year the Law College was opened at Batavia. There were already in existence two medical schools, neither of which gave instruction of Western university grade. In 1927 the Government decided to reorganize the Batavia medical school into a full-fledged school the graduates of which would be admitted to practice in the Netherlands as well as the East Indies. The school at Surabaya, established in 1913, was continued on the old basis in order to supply the great need for general, even if not highly trained, practitioners. In 1940 a Liberal Arts College was established in Batavia, and a few months before the Japanese invasion the Volksraad approved a bill providing for a College of Agriculture and uniting the five colleges into a University.

The holding power of the three schools of higher learning is very low and apparently is steadily falling. Seventy per cent of the students in the Technical School fail during the first year. It is difficult to explain this wastage. The three professional schools, and especially the Technical School, have probably set their standards too high and have too marked a Dutch orientation. This wastage and the small number of students entering the schools for advanced education make the cost of instruction per student very high.

THE BUREAU FOR POPULAR LITERATURE

This Bureau carries on a unique and highly significant work. With the spread of lower indigenous education a large class of people were being taught to read in their native languages, but there was practically no reading matter on which they could exercise their new powers. A reading knowledge is not of much good to a child unless his mind

has a supply of good reading material to feed upon. The Government did not dare to leave this matter to private initiative, fearing prohibitive prices on the one hand and on the other the spread of vicious literature. The Government also saw an opportunity for postschool education. The Bureau for Popular Literature, by supplying the people with good literature at unbelievably low prices, is carrying on a vast campaign for the moral and cultural development of the whole people. It is educating the newly created reading masses to a love of good, stimulating, and instructive literature.

The Bureau publishes various types of literature. It began with publishing adaptations of the old Javanese and Malayan classics and Indonesian folklore. Next, Western books were translated. A free rendition is given, with the difficult passages deleted. Other Western stories are adapted; the original story is rewritten against a local background, and native characters are introduced. Furthermore, the Bureau has induced Indonesians to write stories and novels by offering substantial sums for accepted manuscripts. Children's stories and pictorials have not been omitted. In 1937 the Bureau published 53 different works in 65 volumes. A popular almanac and a large number of useful manuals on health, agriculture, and trades have a wide circulation. Popular magazines in three languages, Malay, Javanese, and Sundanese, are published. The Bureau also puts out a valuable weekly digest of the articles appearing in the native press.

Not the least important of the Bureau's tasks is the distribution of its products. Native libraries containing books in the various native languages are attached to every standard school and to many private schools, and are set up in other suitable places, while Dutch libraries are attached to various schools for European instruction. A large sales force penetrates every district of the islands where sales can reasonably be expected. The total number of native folk libraries was 700 in 1912, 2479 in 1929, 2633 in 1931, and 2334 in 1937. These libraries had a circulation of 2,907,291 books in 1931 and of 1,834,268 in 1937. There seems to be no apparent reason for the rapid decline in circulation during the last few years.

THE GROWTH OF EDUCATION AND THE UNCOMPLETED TASK

The statistics on the growth of education in the East Indies are both encouraging and discouraging. Judged by the rapid strides made since 1900 the growth is truly heartening, but judged by what still remains to be done before educational opportunities of the simplest kind will have been extended throughout the islands the results are disappointing indeed.

In 1900 there were 125,000 children in the indigenous schools, in 1928 the number had increased to 1,513,000, and ten years later the number had reached nearly 2,000,000. Of this last total, 1,677,000 were enrolled in the three- and four-year village schools. The enrollment in the first class of these schools was 159,441 in 1914-15 and 806,609 in 1939-40. In 1900 the number of children of all nationalities in attendance at the European primary schools was 21,800; by 1928 this figure had increased to 134,724, and in 1938 it stood at 142,726, divided among the various types of schools as follows: European schools, 45,437; Dutch-Chinese schools, 23,429; Dutch-Native schools, 64,750; Link schools, 5,023; and with about 4000 in special schools. About 10,000 more students were enrolled in the junior high schools and 6500 more in the secondary schools. In the various types of vocational schools, including teacher-training schools, there were enrolled in 1937 about 27,000 students. An interesting fact about the enrollment of the European elementary schools is that 11 per cent of the students were Indonesians and 2 per cent were nonindigenous Asiatics.

The number of students enrolled in the three advanced colleges was 259 in 1928 and 1051 in 1938. The depression undoubtedly caused many students to take their advanced training in the Indies rather than in the Netherlands. In 1938 only 151 students were enrolled in the Technical Schools, of whom 62 were Europeans, 59 Indonesians, and 30 nonindigenous Asiatics. The Law School had an enrollment of 348 (221 Indonesians, 65 Europeans, 59 Chinese, and 3 Arabs). The Medical School had an enrollment of 552. While the numbers of students in the three schools for higher education have increased rap-

idly, with the exception of the Technical School, the enrollment is still very low for a country of 70,000,000 people. In 1938-39 the three professional colleges had 81 graduates; 12 in engineering, 30 in law, and 39 in medicine. Of the 81 graduates, 40 were Indonesians, 21 were Chinese and Arabs, and 20 were Europeans.

The Central Government's expenditures on education increased from 8,800,000 florins in 1911 to 46,000,000 florins in 1929. While the ordinary governmental expenditures during this period increased slightly over three times, the expenditures for education increased more than five times. In 1911 educational expenditures represented 5.9 per cent of the Government budget, and in 1929, 9.2 per cent. The total school expenditure of the Indies Government in 1931 was about 55,000,000 florins, or approximately 22,000,000 dollars.

During the depression years, however, there was a marked reduction in the expenditures for education. In 1936 and 1937 the appropriations of the Indies Government for education were less than half of what they were in the years immediately preceding the depression. This represents a very drastic cut, but it must be remembered that the Dutch and Indies governments followed a deflationary policy until September, 1936, and that as a result the price level was very much lower than in 1930. However, the reduction in educational expenditures was greater than for most other objects.

The extent of the unfinished educational task can be determined only in relation to a given objective. If the goal is the provision of the entire East Indian population with a three-year-school type of education, 30 per cent of the task has been accomplished; if the goal is a general six-year-school type, 20 per cent; and if the objective is a seven-year-school type, the East Indian Government has only achieved 15 per cent of its stupendous task.⁸ As a matter of fact, in spite of all the educational efforts since 1900, there are more illiterates in absolute numbers today than there were in 1900. The school-age population has increased more rapidly than the school-going popula-

⁸ *Publicaties* Hollandsch-Inlandsch Onderwijs Commissie, No. 7a, "De nog wachtende taak op onderwijsgebied"

tion. According to the 1930 census only 6.3 per cent of the native population was literate. The Dutch-Native Education Commission estimated that at the rate of progress being made in 1928 it would require 167 years to wipe out illiteracy. It has been estimated that it would take an expenditure of a billion florins for a quarter of a century to overcome illiteracy. In view of the conclusion of the Hartog Commission that no child who has not completed a course of four years will become permanently literate, the fight against illiteracy becomes almost hopeless.

This is not a situation peculiar to the East Indies; it is a problem common to all backward countries. The Philippine Government has appropriated heroic sums for education, and yet it reports that a comparison of the present school facilities for each grade with the approximate number of children of normal age for each grade as determined from the population estimate for 1929 indicates that if only normal-age children were admitted the schools could accommodate only 50 per cent of all children available for the 4th grade and only 20 per cent of all children available for the 5th.⁹ The problem of providing the educational facilities necessary for a democratic and progressive society seems almost insuperable in the countries of this region.

In comparison with the Philippines, a very small percentage of the total governmental expenditures goes for school purposes. The expenditures for school purposes represented 23.69 per cent of the Insular Government's expenditures in 1929, and 20.11 per cent of all governmental expenditures, insular, provincial, and municipal.²⁰ School expenditures accounted for only 9.2 per cent of the Central Government's expenditures in 1929 in the East Indies, and the percentage declined to 6 in 1937 and to 5 in estimates for 1939. This percentage would fall much lower if the total governmental, including provincial and local, expenditures were taken into account, for the provinces and local governments have until now spent little for education in the East Indies. Comparison with British India is difficult, since in India the Central Government itself contributes very little to

⁹ Thirty-first Annual Report of the Director of Education, 1930

²⁰ *Ibid.*, p. 59.

school expenditures. However, a comparison of expenditure per capita of population indicates that the amount of school expenditures in the two countries differs little.¹¹

One obstacle to the more rapid extension of education in the East Indies is the high cost of instruction per pupil. British India with four times the expenditures gives instruction to six times as many pupils. This means that the cost per pupil is about 50 per cent higher in the East Indies than in British India. One reason for this high cost is that tuition fees in British India cover about 21 per cent of the total school costs, whereas in the East Indies they cover only 10 per cent of the school expenditures. The chief reason, however, is in the much higher cost of personnel. Most of the teachers in primary schools on a Western basis and very nearly all the secondary school teachers are Netherlands. In 1929 there were 2479 European teachers in the primary schools and 600 in the secondary schools. These teachers are paid European salaries, receive European furloughs, and enjoy early retirement allowances.¹²

The Dutch policy of concordance, as they call it, is that of trying to maintain in the Indies a large number of Western schools with Dutch standards and Dutch curriculum. The policy of trying to maintain in the Indies a large number of schools almost the duplicate of those in Holland has been costly and it has also had an unfortunate influence on native education. There is a growing feeling that the only solution is an Indonesianization of the system along the whole line.

SOCIAL FUNCTIONING OF THE SYSTEM

From a functional and sociological point of view the East Indian Government has developed a unique school system. For the masses there are the very simple village and standard schools on an indigenous basis, giving three and five or six years of instruction. Western primary education is given in three types of schools, each for a spe-

¹¹ Mansvelt, "Het onderwijs in Britsch-Indië," *Koloniale Studiën*, February, 1930

¹² There were 313 American teachers in the Philippine Islands in 1928 Annual Report of the Director of Civil Service for 1928.

cial class of the population: European primary schools for European children, Dutch-Chinese schools for Chinese children, and Dutch-Indonesian schools for the children of the upper and more Westernized classes of Indonesians. Children of Westernized natives are admitted to the European schools. The Link school represents an ingenious and democratic device for bridging the gap between lower indigenous education and Western secondary and higher education. It draws the best students out of the lower social classes. The secondary schools are on a Western basis, with standards on a level with those of the Netherlands but split up into several types and an upper and a lower division, so as to offer finishing education at an intermediate point as well as at the end. Three colleges, offering Western professional training, round out the educational system.

Though the holding power of the East Indian schools is not low compared with that of schools in other backward countries, there is nevertheless a very high percentage of wastage. Only 33 per cent of the pupils entering the three-year *desa* schools graduate. For the five-year standard school the percentage is 37, and for the seven-year Dutch-Indonesian schools, 40.9. This means that over 60 per cent of the funds spent on education of the indigenous children is wasted, for about 60 per cent of the children entering school do not remain long enough to become literate. This for a country with so great an unfinished educational task is tragic.

The East Indies Government has very wisely refrained from attempting to introduce Western education for the masses. The policy pursued may be said to be Indonesian education for the masses and Dutch education for the leaders. The sudden and complete introduction of an alien language as the medium of instruction from the bottom up has serious denationalizing effects. Not only that; it retards the mental development of the pupils.²⁸ The acquisition of an active

²⁸ "Many witnesses have told us that the boy who has received a vernacular schooling, though he may be handicapped at first by his weakness in English, very often outstrips the Anglo-vernacular boy in the long run, in consequence of his better grasp of those general subjects which he has learnt through the vernacular" Indian Statutory Commission, *Interim Report*, pp. 110 ff.

mastery of a foreign language by children from an almost illiterate environment consumes too much time, especially when it is remembered that by far the greater number of the children do not get beyond the first four or five grades, which is hardly enough training to make them permanently literate in the vernacular.¹⁴ Another difficulty is the cost of Western education. If the teaching of the foreign language is to be at all effective and of high standard the importation of teaching forces in large numbers for a long time will be required. Spoken English in the Philippines has suffered deterioration from a too rapid Filipinization of the teaching staff. The East Indian Government has set European standards for the schools on a Western basis, but to maintain these standards involves a high per capita expenditure. Before the depression, Western lower education for 146,215 pupils cost almost as much as native education for 1,513,088 pupils, or 15,722,300 and 17,188,900 florins, respectively. Secondary education for 14,300 students in 1929 cost nearly 7,000,000 florins.

The East Indian Government faces a difficult problem. There are sharp limits to the amount of money which it can set aside for education. The extension of the more costly Western lower and secondary education will automatically check the expansion of the indigenous mass education.¹⁵ The structure of native society is such that it can absorb few Western-educated people, and the Government cannot possibly raise the funds to carry general Western education

¹⁴ Compare the Report of the Porto Rican Educational Survey Commission of 1926: "the curriculum of the elementary school is now so completely a language curriculum that content subjects are almost altogether crowded out. Children who are to stay in school but a few years are now given instruction in English which will not be carried to a point that makes it a useful tool, while they receive no instruction in health, the civic virtues and the world about . . . The time now given to English in the first three grades at least is needed imperatively for instruction in matters that are at the present time wholly neglected." Pp 30, 33.

Vice-Governor George F. Butte of the Philippine Islands has suggested the use of native dialects as a medium of instruction in the public schools. Mr. Luther Bewely, Superintendent of the Manila Schools, is opposed to the suggestion, holding it to be highly impractical in the light of the difficulty in obtaining teachers and textbooks and arranging for student transfers. See the *New York Times*, November 31, 1931.

¹⁵ A million florins (not counting the capital costs) yearly will provide 200,000 pupils with folk education, 55,000 with standard education, and 12,000 with Western lower education. *Publicaties* Hollandsch-Inlandsch Onderwijs Commissie, No 11, "Eindrapport," Eerste stuk, note on p. 58

through the secondary schools. It must therefore change its policy. It must cut down at the top and cut down European education and extend lower indigenous education. This will help the intellectual native at the top of the social pyramid, too, for he has need of a better social background, one which impels upward rather than draws downward. The Western-educated native does not now keep up his efficiency and drive, for his society is not sufficiently saturated with the scientific point of view.

To study this whole problem the Governor General in 1927 appointed the Dutch-Native Education Commission. This Commission made a thorough study of the history and functioning of the school system.¹⁶ The Commission recommends the following with respect to the qualitative improvement of Western lower education: that in the Dutch-Indonesian schools the use of Dutch as a medium be begun only in the upper classes; that the majority of the Dutch-Indonesian schools be changed into Link schools; that the remainder of these schools be intended for the leaders of native society; that an eighth grade be added to the Dutch-Indonesian Link school with practical studies and be made to serve those who do not wish to study further; that the European lower school be opened to all native children who have learned Dutch at home; and that no one be allowed to give education with Dutch as a medium without the approval of the Government. The Commission made the following recommendations with respect to indigenous education: more parallelism in the curricula of the standard and Dutch-Indonesian schools; the introduction of Dutch as a study in the standard schools; the addition of a practically oriented 7th grade to the standard schools; the further extension of the 6th grade; the orientation of the standard school toward the practical needs of the native society and its economic elevation; and the energetic promotion of education for native girls.

These proposals have met with opposition, especially from the nationalist side. The nationalists are naturally inclined to attack the

¹⁶ Its findings were issued in a report of sixteen bulletins, the last of which appeared in March, 1931. These bulletins constitute an excellent survey of the East Indian school system, and I have leaned heavily on them in writing this chapter.

educational system from both sides. On the one hand, they complain that the educational system is too Western and has for its object the denationalization of the Indonesians; on the other hand, whenever a limitation of Western education is proposed the nationalists accuse the Government of wishing to deprive them of just that type of schooling which will most rapidly prepare them for self-government. In Dutch circles a reversal on this question has taken place. Two decades ago the imperialist elements advocated Western education whereas the liberals were the protagonists of practical, national education. Today the conservatives have turned against Western education, probably largely because of its effect in stimulating nationalism, and are now advocating vocational and indigenous education. Educational policy in a dependency is inevitably colored with political considerations.

The fiscal crisis brought on by the continued depression caused the Government to change its course sharply in 1932 with respect to the teaching personnel. Indonesianization of the Dutch-Indonesian and Dutch-Chinese schools was decided upon and will be rapidly pushed forward. This will mean that ultimately 1300 Netherlands teachers in these schools will be replaced by Indonesians and Indo-Chinese. This policy will have far-reaching effects. It will greatly reduce the costs, but it may also lower the standard of this important part of Western lower education, at least so far as the mastery of Dutch is concerned. A large number of classes in the Mulo schools have been discontinued and the number who are permitted to enter the Mulo and secondary schools sharply limited. Many members of the Volksraad branded the educational policy of the Government as "irresponsible." The Volksraad expressed its dissatisfaction with the policy by rejecting the section of the budget dealing with education. This is the first time since the Volksraad was given co-legislative powers that a section of the budget has been rejected in its entirety.

The proper functioning of education in a backward tropical country, with special reference to the East Indies, cannot be better stated than in the words of that able student of colonial problems, Dr. A. D.

A. de Kat Angelino, who for several years served as Director of the Department of Education in the Indies:

Even if impressive school buildings and well-salaried and educated teachers could have been obtained in their thousands, even if all these millions of Indonesian village children knew Dutch, it would have been no blessing for the population. The school would have become a world entirely alienated from its surroundings, and at the end of his education none of the pupils would have consented to remain in the village. The phenomenon of deracination, which in the Indies is now relatively rare, would in that case have occurred much more frequently. . . .

It is therefore not to be regretted that there is sometimes insufficient money to finance beautiful plans. We are here confronted with a wise natural law which demands equilibrium between the producing capacity and the consumption of every organism, of the social organism as of others. The modern, richly equipped popular school, the highly developed popular teacher, will not be a blessing for the Eastern village so long as the village itself has not reached the degree of development which enables it to absorb the pupils into its own life, socially, economically, intellectually, and politically.

The popular school has therefore to take the lead from its environment. With its teacher it must form a social center. The pupil when he leaves school must not consider himself too good to do the work of his father because he can read and write and his father cannot. Let him remain joined to his people by that precious feeling of piety, let him continue to honor his village headmen and the village elders, let him not spurn Adat. Yet let him learn to look a little farther than his older neighbors do, just so much that he shall not become a stranger to them, but that he will see the possibility of progress and improvement.

The school must therefore be more than a mere institution where certain elements of knowledge are imparted. The villagers must feel it to be an institution of their own, just like the village prayer house, the little Koran schools, the Pesantrans. They must be familiar with it and look upon it as a village organ which not only concerns their children but themselves as well, so that school and home shall not form different worlds.¹⁷

¹⁷ *Colonial Policy*, II, 217-218.

Chapter XIV

COMMERCIAL POLICY

THE DUTCH PEOPLE have never lacked consciousness of the importance of the colonies for their economic welfare and their position in international politics. Van Deventer, the great friend of East India, declared in his famous *Gids* article of 1899 on "A Debt of Honor" that "the welfare of the propertied classes in the Netherlands is very closely related to the retention of our colonies in East India." A weekly journal established some years ago with the object of strengthening the imperial unity between the Netherlands and the Indies stated that the number of persons directly or indirectly employed in Dutch industries exporting to the East Indies totals about 80,000, and that yearly approximately \$160,000,000 profits flow to the Netherlands from the Indies, that 80,000 more people are employed in the consumption of this profit, and that the retention of the Indies is a material bread-and-butter interest for about 400,000 Netherlanders.¹ A few years later, conditions were quite different; commercial and industrial profits had all but disappeared, a rather large amount of capital had to be written off, and pensions were severely reduced. Receipts from the corporation tax fell from 72,000,000 florins in 1926 to less than 10,000,000 florins in 1933, 1934, and 1935. But in 1937 conditions were much improved. Yields from the corporation tax went up to 25,000,000 florins in 1937 and to 42,000,000 in 1938. Returns on Dutch investments remitted to the Netherlands were estimated at 34,000,000 florins in 1936 and 62,000,000 florins in 1937.² Rearmament and war caused something like a boom.

¹ *Politiek Economisch Weekblad*, May 7, 1930

² *Quarterly Review*, Amsterdamsche Bank, October, 1938, p. 24. Arthur S. Keller, writing in the *Far Eastern Survey*, January 17, 1940, on "Netherlands India as a Paying Proposition," concludes, "If we say that the Dutch derive from their Indies an average annual return of around 200 million florins in 'direct gains' and something like 120 million florins in 'indirect gains' we believe that we can hardly be charged with overstatement." He does not state on what years the average is based. See also Vandenbosch, "The Netherlands Colonial Balance Sheet," *Southern Economic Journal*, IV, 328-338

Since 1913 a new factor has entered the situation to draw increased attention to this economic interest in the East Indies; namely, the decline of the Dutch share in the Indies' exports and imports. The Netherlands' share of East Indian exports fell from 28.1 per cent in 1913 to 14.77 per cent in 1929; and her share in Indies' imports fell from 33.2 per cent in 1913 to 18.31 per cent in 1929, and to 15.3 per cent in 1931.³ The Netherlands' share in the Indies trade has decreased not only relatively, but in many particulars absolutely. Of the butter imported into the Indies in 1913 as much as 56 per cent came from Holland, in 1927 only 6 per cent, Dutch butter having been crowded out by the Australian product. In condensed and sterilized milk Holland has received sharp competition from Switzerland. In earthenware, porcelain, and glassware, competition from Japan has practically driven the Dutch articles from the East Indian market. In these articles in which the labor factor is large Japan has the advantage of cheap, unskilled labor and also of lesser freight charges. The European goods are of higher quality, but the undeveloped East Indian consumer prefers the cheaper goods of lower quality. With respect to textile goods, too, the imports from Holland have been forced out by Japanese and Asiatic competition.⁴

THE TARIFF

In the days of the East Indian Company the Dutch had made their profits out of trade. Only the first leg of the voyage from Europe to Ceylon and British India was unprofitable, for on this leg the Dutch vessels had little or no cargo. From British India goods were transported for sale in the Dutch East Indies; in the East Indies goods were taken on for sale in the Far East, and on the return voyage Far Eastern products were taken on and sold in the East Indies; in the East Indies goods were taken on for sale in British India and Europe; and in British India additional products were taken on for the European

³ Verrijn Stuart, "Nederland's aandeel in den handel van Indie [I and II]," *De Economist*, XXVII, 107 ff. and 286 ff. See also statements of the Centraal Kantoor voor de Statistiek, *Bataaviaasche Nieuwsblad*, March 26, 1930, and *De Locomotief*, Overzee editie, July 4, 1932.

⁴ *Ibid.* See also Gelderman, "De Twentsche katoenindustrie en haar Indisch afzetgebied," *Indisch Genootschap*, October 21, 1932.

market. The weakness of the Dutch trade was that it had few European articles for sale in the East and thus had an unprofitable voyage out. The English were in a better position. The rapid development of their textile industry enabled them to sell cotton goods cheaper in British India than the Indian people themselves could make them. This was doubly injurious to the Dutch trade, for it drove the British Indian goods from the Indies' market, thus rendering unprofitable also the second leg of the voyage of the Dutch ships, and it made competition with the English more difficult. The English possessed in their textiles an export article which made their voyage to India profitable. Moreover, since the Dutch had to buy their cottons from England they could not pay as much in exchange for Indian products as could the English. This was the great problem which confronted the Dutch trade, and it was the tariff policy of the new Dutch Government in the years after 1815 to make the manufacture of textiles possible so as to be able to compete successfully with the English for the eastern trade and shipping.⁵

During the period of the British occupation of Java, 1811-1816, import duties in all ports were equalized at 10 per cent of their invoice value, plus 30 per cent if the goods came in British bottoms and 60 per cent if the goods came in foreign bottoms. When, in 1815, it became certain that Java was to be restored to the Netherlands, the British placed the Dutch vessels on the same basis as their own, and just before the restoration import duties were lowered from 10 to 6 per cent. The British shaped a tariff such as they hoped the Dutch would maintain—low duties and no differentials between British and Dutch vessels.

The new Kingdom of the Netherlands, united with Belgium by the Congress of Vienna, was confronted by very difficult problems. Shipping and trade had to be redeveloped. The Dutch fleet had been practically destroyed since 1795 and it appeared as if energy to build a new fleet was lacking. The textile industry had to be developed in order to obtain exports for competition with the British. Under the

⁵ For the Netherlands tariff history see Colenbrander, *Koloniale geschiedenis*, I, 12 ff.

Napoleonic policy of prohibiting British imports the textile industry in Europe had been encouraged, and within the protected market of the French Empire a flourishing industry had developed in Belgium, but when France in 1814 was made to withdraw to its old boundaries the industry suffered. William I, King of the Netherlands, saw in this situation the opportunity for a statesmanlike policy. He favored a tariff policy which while building up the southern textile industry would at the same time encourage northern shipping and trading. This would unite north and south in mutual economic interests and give the King political support in both sections.

In 1817 the East Indian tariff law was changed to exclude British ships from the import preference which goods shipped in Dutch and British bottoms had enjoyed since 1815. In 1818 the import duties were lowered from 60 to 30 per cent, plus 12 per cent if goods were carried in foreign bottoms and 6 per cent if carried in Dutch bottoms. In 1819, products coming in Dutch bottoms were permitted to enter free. As a result of these changes in the colonial tariff law the Dutch soon captured one-third of the trade but not quite one-third of the shipping. In 1824 the colonial tariff law was again modified; import duties on all cotton and woolen goods made in foreign lands west of the Cape were raised 25 per cent and if brought in from alien lands east of the Cape, 35 per cent. This last provision was aimed at British shipping which came indirectly into the East Indies through Calcutta and Singapore. The British Government contended that these preferential rates violated the terms of a treaty which had been concluded between the two countries the same year. The treaty provided that the subjects and ships of one nation were not to pay more than 6 per cent import duty if similar goods coming from the Netherlands came in free, and not more than double on goods on which duties were charged if of Dutch origin. The Netherlands Government contended that this provision had no reference to goods, but the British Government protested so energetically that the Netherlands in 1836 raised the rate on Dutch cottons and woollens to 12½ per cent in order to be able to keep the British rates at 25 per cent.

A new tariff law was passed in 1837, under which goods in general imported in Dutch ships paid import duties of 6 per cent, goods imported in foreign ships 12 per cent. Certain other goods paid 12 per cent if accompanied by a certificate of Dutch origin, otherwise 24 per cent. On cotton and woollen goods import duties remained at 12½ and 25 per cent. This tariff law was evaded until 1855 by the so-called secret linen contract with the Netherlands Trading Company by the terms of which this trading company agreed to spend a certain sum annually in the purchase of Dutch goods on which the duties if imported into the Indies would be refunded.* Thus was the textile industry of Haarlem and Twente, now that Belgium was separated from Holland, to be encouraged.

A new constitutional law for the East Indies was adopted in 1854 and, in conformity with the increased parliamentary control which it introduced, provision was made that henceforth East Indian import duties should be regulated by parliamentary act. However, this provision was not given effect until the East Indian tariff act of 1865. Under this law import duties generally were placed at 6 per cent, on some articles at 10 per cent, with all differentials abolished except on earthenware, iron and copper ware, leather and leather goods, and manufactures of cotton and wool. These goods paid import duties of 10 per cent if accompanied by a certificate of Dutch origin, otherwise 20 per cent, but this last rate was to be reduced to 16 per cent on January 1, 1869. The tariff law as a whole was to be revised before 1872. A new law, however, was not passed until 1872 and did not go into effect until January 1, 1874. This law imposed a uniform duty of 6 per cent and put a definite end to differential rights. Before 1907 most of the duties ran about 6 per cent *ad valorem*, but in that year several duties were raised to 10 and 12 per cent. In 1921 several rates were again increased and in the course of 1930, 1931, and 1932 rates were increased by 50 per cent.

* Under the terms of the 1836 contract the Trading Company agreed to purchase from 3 to 5 million florins worth of Dutch textiles per year and under the 1849 contract not less than 3 million florins' worth yearly. Colenbrander, *op cit.*, I, 19.

The preferential policy from 1824 to 1872 was amply successful. The Dutch share of Indies imports—actually of Java alone, for during this period Java constituted practically the whole of the import territory—was one-third in 1818, one-half in 1827, and over two-thirds in 1830. The Belgian textile industry profited from it, though for only a short period. From the abolition of preferential duties in 1874 until the World War the Dutch were able to maintain an equal proportion of the Indies trade as against the British, but since the war the Dutch share has steadily declined while Great Britain has been able to maintain its proportion of the East Indies trade. In 1913 the Netherlands still provided one-third of the East Indian imports, and fully one-third of the ships calling in East Indian ports were Dutch.

The Netherlands Government in 1816 had also to solve the problem of inducing capital to engage in East Indian shipping and trade. Since private capital could not be induced to enter the field, the King himself promoted the formation of the Netherlands Trading Company. This Company, which has since developed into one of the largest banking corporations of the world, was to have no exceptional privileges except that of carrying government products. It built no ships of its own, but merely chartered them. Under the culture system, which was in its heyday from about 1830 to 1870 and under which the natives paid their land tax in the form of agricultural products raised for the Government, the amount of Government products increased enormously and the Trading Company prospered. Since the Government products consigned to the Trading Company had to be sold in Holland, the East Indian Government was forced to wait a long time for its funds. To relieve the East Indian Government of this financial difficulty the Trading Company made two years' advance payments on the consignment of products. As a result of this policy the Government in 1839 was indebted to the Trading Company to the amount of 39,000,000 florins. Former Governor General van den Bosch, the father of the culture system and at this time Minister of Colonies, desirous of putting an end to this embarrassing relationship, sought to cover this debt by a Government loan. The

States General rejected the proposal and van den Bosch resigned as Minister of Colonies. In 1849 the debt was reduced to 10,000,000 florins and the Company agreed not to demand payment of this before December 31, 1874, if continued consignment of Government products should be assured it. This assurance the Government gave, but only after a reduction in the commission and interest rate had been accepted. The Government regained its freedom in 1873 when it paid off the 10,000,000 florins still due the Company. The Company continued in the enjoyment of the consignment of Government products, but with the abolition of the culture system the amount of Government products rapidly fell off and the Company had to look to other enterprises for the employment of its capital. It went into the business of financing individual East Indian culture enterprises and soon led the older banks and agencies in this field. Gradually general banking became its main activity and today it has a capitalization of 80,000,000 florins and branch offices in all the leading commercial cities of British and Netherlands India and the Far East.

There was in the Netherlands even before the depression an active movement for a return to the old preferential policy,⁷ and a small group insistently pressed for a customs union between the metropolitan country and the East Indies. The movement received its impetus not alone from the declining share of the Netherlands in the East Indian trade, but also from the growing obstacles to world trade in the shape of higher tariff walls and other restrictions of a protectionist nature. The Netherlands is already overpopulated and must find an outlet for its population increases in the expansion of its industries and the export of manufactured goods. The great Zuider Zee work which added another province to Holland provides only a very temporary relief to the population pressure. It was generally agreed by all the leaders of the preferential and customs-union movements that world free trade or a drastic reduction of tariff barriers would be better for a small country like Holland, but since it was hopeless to expect

⁷ In January and again in June, 1932, the Twente textile industry petitioned the Minister of Colonies and the Governor General to restrict the importation of foreign cottons in favor of Dutch textiles. *De Locomotief*, Overzee editie, July 4, 1932.

this they insisted that the Netherlands must create a larger free market for itself within its own empire. Holland could not remain a small free-trade island in a sea of protection. The Government and the group headed by Mr. Colijn maintained that a preferential tariff policy was an impossible solution and therefore put forth every effort to give leadership to the movement for the lowering of international economic barriers.

The only political leader who associated himself with the movement for the restoration of preferences was former Finance Minister H. A. IJsselsteijn. From a political point of view he worked under very great difficulties, for he was a member of the Antirevolutionnaire Party, the party of which Mr. Colijn is the powerful leader. But discontent on the part of Dutch industrialists with the tariff policy of their Government developed after the first World War. Some years ago the Government appointed a Commission on Commercial Policy to make recommendations on the commercial policy to be pursued under postwar world trade conditions. Whether the appointment of this commission was a sop thrown out to quiet the discontented textile and other export manufacturers or whether the Government was seriously thinking of going over to a policy of fighting tariffs, it is difficult to make out. At any rate a public controversy was being waged between the Society for an Active Commercial Policy,⁹ which advocated a fighting tariff, and the Society for Free Trade.

The restoration of colonial tariff preferences or the formation of a customs union with the East Indies was urged in many quarters.⁹ Great prominence to the proposal of a customs union was lent by a book¹⁰ by a leading East Indian colonial official, Mr. J. Schrieke, who for several years was Government Spokesman for General Affairs in the Volksraad and later Director of the Department of Justice in the East Indian Government. Mr. Schrieke pointed to the prosperity of the United States as the outstanding example of the advantages of a

⁹ See a book by Professor P. A. Diepenhorst of the Free University of Amsterdam on *Eerherstel der actieve handelspolitiek* [Restoration to Honor of the Active Commercial Policy], published by the Vereeniging voor Actieve Handelspolitiek.

¹⁰ See article by de Graaf, *Indische Gids*, Vol. 51, pp 834 ff ¹⁰ *De Indische politiek*.

great free-trade area. He rejected preferences on the ground that they are open to all the charges of protectionism, and pleaded for an assimilated policy on free-trade principles. He would allow all other countries to enjoy the benefits of the proposed customs union if these would reciprocally cast off their tariff barriers. Mr. Schrieke maintained that this policy would greatly further Dutch economic penetration of the Indies, and the Indonesians would have nothing to fear since the differences in climate and products are so great that mutual competition is excluded. The Dutch industries in the East Indies should not import their workers, but should employ Indonesians. The policy would then win the approval and not the antipathy of the Indonesians, and the system would result in such economic interdependence that neither the East Indies nor the Netherlands would ever talk of separation.¹¹

The difficulties and objections which the proposed preferential tariff policy meets are considerable. Can a small country like the Netherlands afford the international hostility which a departure from the open-door policy would engender? Schrieke insisted that his proposal would involve no departure from the open door since it would leave membership in the Netherlands-East Indian customs union open to all states. Other advocates of preferences arrive at the same conclusion on the basis of the Constitutional revision of 1922, which eliminated the words "possessions" and "colonies" from the Constitution. The Constitution now states that "The Kingdom of the Netherlands comprises the territory of the Netherlands, Netherlands India, Surinam, and Curacao." Thus the Netherlands and the Indies are parts of the same state and free trade between these parts is the logical conclusion of this constitutional change, and is, moreover, a purely domestic concern.¹² The trouble with this argument is that it proves too much. Certainly it was not the intention of the Constitutional revision of 1922 to reduce the Indies to the status of a province of the Netherlands. The 1922 revision was intended as a liberalizing, not a reactionary step. The foregoing interpretation of the revision would

¹¹ *Ibid.*, pp. 142-153.

¹² See de Graaf, *op. cit.*

mean that the Indies would no longer have its own currency system, circulation bank, or tariff devised for its own needs.¹³ The mandate system has made the open door one of the fundamental principles of colonial administration and it does not seem as if the Netherlands could afford to ignore this powerful international influence. Mr. Colijn did not fail to emphasize this aspect of the question. He publicly warned his countrymen that the position of the Netherlands in the East Indies demands great caution, that hostility on the part of other powers must be prevented, and that this is best achieved by an autonomous tariff applicable to all without distinction. He further stated that the Netherlands must so conduct its East Indian commercial policy that every mandatory power may take the Dutch policy as a model for its own mandates. "This is solely for the reason that such a policy gives us the best guarantee that we may continue undisturbed in our colonial task."¹⁴

From the fiscal point of view preferences and a customs union encounter serious difficulties. They would force a new direction in the tax policy of both the East Indies and Holland, and would make an independent financial policy more difficult. The customs union would involve a direct loss to the East Indian treasury of many millions of florins of import and export duty and a direct loss to the Netherlands Government of several million florins of import duties, and in proportion as the customs union achieved its object the greater would be the losses to the East Indian treasury, for then the imports from and exports to Holland would increase and the trade with other countries decrease. This increasing loss would have to be offset by raising the import and export duties as against other countries or by raising other taxes and imposing new ones. This would lead either to constantly increasing protectionism or an entirely different taxation policy.

The drafting of a tariff law such as would attain the objects of a customs union, especially between two countries so widely differing

¹³ See Oprel, "De tarievenpolitiek en de grondwetsherziening van 1922," *Indische Gids*, Vol. 51, pp. 1046 ff.

¹⁴ *De Indische Gids*, Vol. 51, pp. 91-96.

in nature, would be a very complicated matter and would require mutual concessions. East Indian interests, certainly, would not receive sole or primary consideration.¹⁵ The export interests of the two countries differ greatly. The two most important export articles of the East Indies are rubber and sugar, but Holland consumes little rubber and imports little sugar. Its beet-sugar industry is already depressed; East Indian preferences would kill it. The East Indies export agricultural and mineral products, which are generally free from import duties, and Holland exports manufactured goods, articles most suitable for import taxation. Tea is about the only article on which the Netherlands could give effective differentials, but Holland in 1928 imported only 13,000,000 florins' worth, and exported over 60,000,000 florins' worth of manufactured goods to the East Indies. It is difficult to see how the Netherlands could offer a quid pro quo.

The Philippine Islands have undoubtedly profited greatly from the preferential tariff relationship with the United States. The United States, being a very large manufacturing country, can more than supply the Philippine demand for a very wide variety of manufactured articles. The price of these articles, therefore, in the Philippine market tends to be that of the world price, regardless of the preferences. The Philippine consumers, therefore, usually gain what their government loses in import duties. On the other hand, the American market can absorb more of the Philippine products than the islands can produce, and therefore most of the preferences on Philippine imports into the United States go to the Philippine producer. But the relationship between the Netherlands and the East Indies is just the reverse of that between the United States and the Philippines; the Dutch dependency is far larger in population and area than the metropolitan country, the East Indies having a population of 62,000,000 as against 7,500,000 people in Holland, and an area

¹⁵ See article by C. van den Bussche, Director of Finance in the East Indian Government, "Opmerking en aantekeningen over het denkbeeld van een toelating Nederland-Nederland Indië; De fiscaal-finantieele zijde," *Koloniale Studiën*, XIV, 70-73. See also article by A. J. Schabek in the same journal, XIV, 66-69, on the technical difficulties of customs administration.

of 733,000 square miles as against 14,000 square miles. The economic advantages with respect to most articles of preference would rest with Holland and not with the East Indies.

But even if a customs union could be shown to be advantageous for the East Indies, it is doubtful whether it would find favor with the East Indian nationalists. Just because the East Indies are politically a dependency of Holland the nationalists would resent greater economic dependence. Free trade with Holland would very likely also kill what little industry there is in the Indies and would keep them agrarian. The Philippines offer an object lesson to the East Indian nationalists. Precisely because the preferential tariff relationship with the United States has been of greater economic advantage to the Philippines, the achievement of their political independence has been made more difficult.

Nor is it certain that a preferential tariff would be in the real interest of the Netherlands. The interest of the Netherlands in the East Indies is not primarily industrial or commercial. She has found in the East Indies not so much a market for her manufactured goods as an outlet for her capital in the huge agricultural industries there. The Dutch in the East Indies are the large-scale agrarian entrepreneurs. More than two-thirds of the invested agrarian capital in the East Indies is Dutch. The Indies need foreign lands as an outlet for their agrarian products, and in this respect it may be said that the interests of a very considerable element of the Dutch population coincide with those of the East Indies. At bottom there may be said to be a clash of interests between the Dutch manufacturers and the Dutch agrarian entrepreneurs.

Preferences or a customs union would also run counter to the trend of international vertical division of labor, under which the newer centers of production specialize in the rougher, simpler, and cheaper articles and the older production centers make the finer-quality goods. The Dutch industries would give up their technical developments acquired in the production of higher-quality goods and fall back on cheap, mass production for the colonial market.

The East Indies prospered under the liberal commercial policy. Its share in the value of all world exports was 2 per cent in 1937. The Dutch East Indies' share of the world export of many important commodities is very high, as is indicated by the following percentages: quinine, 90; kapok, 75; pepper, 80; rubber, 37; cocoa-palm products,

TABLE 6
VALUE OF IMPORTS AND EXPORTS, 1913-1939
(In thousands of florins)

Year	Imports	Exports	Surplus
1913	436,682	614,203	177,521
1920	1,116,213	2,224,999	1,108,786
1925	818,327	1,784,798	966,426
1930	855,425	1,159,601	304,176
1935	271,089	471,733	200,644
1936	278,903	589,637	310,729
1937	480,373	991,354	510,981
1938	477,200	653,200	176,000
1939	469,400	739,600	270,200
1940	444,000	931,000	487,000

28; agave and sisal fiber, 22; tea, 18; oil-palm products, 18; tin, 18; coffee, 6; and sugar, 5.

As a debtor and investment country it had developed a large surplus of exports over imports. Table 6 indicates the rise and variations of the export surplus over the last quarter-century.

Between the two world wars, sugar, rubber, tin, and petroleum constituted the chief exports. During these years, petroleum's share of the total export value did not vary greatly: 14 per cent in 1920, 20 per cent in 1934, and 19 per cent in 1940. That of sugar steadily declined, from 48 per cent in 1920 to 9 per cent in 1934, and to only 6 per cent in 1940. Rubber's share rose from 8 per cent in 1920 to 20 per cent in 1934 and to 40 per cent in 1940. That of tin remained fairly constant—at about 9 per cent.

MODIFICATION OF THE LIBERAL POLICY

Because of its economic structure, the East Indies is extremely sensitive to world economic conditions and the trade policies pursued by other countries. With the pronounced shift toward policies of economic nationalism and the world depression the Indies faced a crisis. During the years 1929 to 1933 the export surplus declined precipitately. The volume of exports declined very little, only 17 per cent, but their value declined about 67 per cent. The exchange value of the East Indies commodities fell rapidly. The price level of East Indies exports in 1933 was only a third of what it was in 1928, while the price level of its imports had fallen to only 57 per cent. This trend was accentuated by the deflationary financial policy to which the Government adhered until 1936. Government receipts fell drastically while expenditures were reduced more slowly. This policy of "adaptation," as it was called, caused all sections of the population much hardship, but it did put the economic life of the country on a sound basis and enabled the East Indies to profit immediately from improved demand for its products when it came.

To meet the changed situation the East Indies Government made important modifications in its former liberal commercial policies. One of the most difficult problems it had to cope with was the invasion of the East Indies market by Japan and the slump in imports from the Netherlands and other European countries. The Netherlands share of the imports of the East Indies had gradually declined from 32.5 per cent in the period 1909-1913 to 17.6 per cent in the period 1925-1929. But under the pressure of cheap Japanese goods the Dutch share fell to 12.37 per cent in 1933. The Japanese share in the value of the total East Indian imports jumped from 10 to 32 per cent in the course of the same five-year period. This trade invasion threatened East Indies economic life in many ways. It endangered existing importation and distribution as well as the shipping business, since the Japanese were forcing their way into all these fields and the cheap Japanese goods were injuring native industries. The very large deficit in the

trade balance with Japan was threatening the markets for East Indies commodities, for nearly all the countries of the world were following policies of reciprocity and direct barter in goods. The Netherlands and the East Indies could not very well obtain markets for their goods unless they used their import markets in bargaining for outlets for their export commodities. By means of a system of general and specified quotas and an import license system the East Indies Government was able to check and even to reverse the foreign-trade trends. The Japanese share of the East Indies imports declined from 32 per cent in 1933 to 25.4 per cent in 1937, whereas the Dutch share rose to 19.1 per cent in 1937. Europe and America raised their import share from 44 per cent in 1935 to 63 per cent in 1938 and increased their percentage of eastern exports from 61.1 per cent in 1935 to 65 per cent in 1938.¹⁸

The reservation of a substantial share of the East Indies market for the products of the mother country involved some sacrifices on the part of the dependency, and a demand arose that the mother country do something in return. The Netherlands Government by various types of measures favored imports from the East Indies. A specific quota was granted to East Indies fodder cakes and 60 per cent of the Netherlands market for vegetable oils was reserved for the East Indies. Maize, rice, and sugar from the East Indies were also given advantages in the Netherlands market, and to offset the higher prices which had to be paid for Dutch as against Japanese textiles, subsidies were granted to the Javanese batik industry. And finally, in 1936, the Netherlands Government announced a gift of 25,000,000 florins to be spent on public welfare projects in the East Indies over the course of the succeeding three years.

The degree of economic coöperation possible between the Netherlands and the East Indies, their respective economic structures being what they are, is limited. Imperial economic unity has an alluring

¹⁸ On the subject of the recent commercial policy of the Dutch East Indies see: J. van Gelderen, *The Recent Development of Economic Foreign Policy in the Netherlands East Indies*, London, 1939; De Wilde and Moll, *Netherlands Indies during the Depression*, Amsterdam, 1936; and Alvin Barber, "Six Years of Economic Planning in Netherlands India," *Far Eastern Survey*, August 16, 1939.

appeal; in operation it loses a great deal of its attraction. Whatever is gained by one part of the empire by a specific measure is almost invariably paid for by another. It is not long before the whole relationship becomes surcharged with a profit-and-loss accounting, with few or no elements satisfied. At best it can only be justified as a method of weathering economic storms. A commission created to study the problem of economic cooperation made its report in 1939, but the report contained little more than vague generalities.

PRODUCTION RESTRICTION

The rapid decline in exportation of a number of important East Indies commodities, and in their value, led the Government to resort to production-restriction schemes, either alone or in coöperation with other countries producing the same commodities. Many of these industries had overexpanded their production, and since they were of the long-range type, requiring many years before they could render profits, the Government either had to intervene or allow considerable amounts of capital to be lost. Upon commodities in the production of which the East Indies has a quasi-monopoly the Government has by its sole action imposed restrictions. With respect to cinchona, out of which quinine is made, the Government has imposed a limit on annual exports,¹⁷ and has restricted the planting of new trees to the replacement of old ones. The Government began in 1935 to require licenses for exports of kapok, leaving the quantity of exports free but controlling the price. This proving ineffective, the Government resorted to quantitative limitation of exports in 1937. The effort to regulate the exports of kapok has not proved satisfactory and new measures are expected to replace the existing ones.

The production and export of several other commodities was undertaken under the terms of international restriction agreements. In-

¹⁷ The regulations seek to protect consumer interests. In emergencies, like malaria epidemics, sales may be immediately increased. If prices are increased without the Governor General's consent, or if delivery of quinine at low prices is refused in an emergency, he has power to increase the export quota as much as 100 per cent. A permanent offer of a large amount of quinine at an especially low price has been made to the Health Organization of the League of Nations for the benefit of malaria areas with low standards of income.

ternational agreements of this type have been entered into with respect to tea, tin, rubber, and sugar. The tin agreement is of more than usual interest for the reason that the Government is itself the chief producer of tin and the profits from the industry are an important source of governmental income. The Government directly exploits the tin mines of the island of Banka, which accounts for about 60 per cent of the total East Indies production of tin. The Government also owns five-eighths of the stock of the Billiton Company, which works the tin mines of the island of Billiton and accounts for another 34 per cent of East Indies production. A private corporation exploits the mines of the island of Singkep. The Government has been insisting on a fusion of the entire industry, though the Volksraad has expressed its strong disapproval of the proposed measure. The Dutch East Indies produces about 18 per cent of the world's total production of tin. The countries which are members of the international restriction scheme produce over 80 per cent of the world output of tin.

The East Indies Government for a long time refused to join in any international scheme for the restriction of the production and export of rubber, being loath to desert the policy of *laissez faire* and fearing that the difficulties of extending restriction to native growers would be insurmountable. But the disastrous decline in the price of rubber—a decline in a few years to a sixth of the price in 1928—made action necessary to save the industry from ruin. In 1934 the British and Dutch governments took the lead in forming an international production-restriction agreement. The governments which have entered the scheme control 95 per cent of the total world production. The agreement made an effort to protect the interests of consumers by the creation of a consumers' panel consisting of three members, representatives of the American, British, and German rubber industries, who may attend the meetings of the committee and participate in its discussions. The enormous administrative problem of applying individual restriction to more than 800,000 native owners seems to have been successfully solved.

In predepression years Javanese sugar was the chief article of export from the East Indies, representing between 20 and 25 per cent of the value of the total exports. The export of sugar in 1928 was nearly 3,000,000 tons. In those years the industry paid out in wages, land rent, and similar expenditures about 100,000,000 florins a year. Unlike the sugar industries of other countries, the Java sugar industry is entirely without protection, not even receiving preferences of any sort in the relatively small Dutch market. The bulk of the Java sugar production was sold in the Asiatic countries, and when India and Japan practically closed their markets in order to build up a national sugar industry and the disturbed conditions in China and higher duties on sugar reduced purchases further, the Java sugar industry soon found itself in dire straits. In 1935 production was only 500,000 tons. The Java sugar producers joined the Chadburne Agreement, but the absence of important sugar-producing countries from this agreement made it unworkable. In 1933 the Government compelled all the producers to join a single-seller organization, which did much to save the industry from complete ruin. In 1937 the Netherlands became a member of the newly organized international sugar production restriction scheme. The demand for sugar improved greatly after 1937. The International Sugar Board allotted to the Netherlands an export quota of 1,050,000 tons, which was practically all reserved for Java.

There is much to be said for international restriction schemes for certain types of commodities. They will assure the world consumers of a regular supply with no great ups and downs in prices and will prevent the waste of much capital. On the other hand, the schemes generally set quotas and prices to enable the less efficient producers to carry on. The schemes are not without danger to the participating producers. They may cause contraction of consumption, stimulate the use of substitutes, and encourage the development of synthetic products. The latter constitute a very real threat to the natural rubber industry.

INDUSTRIALIZATION

Industrialization, especially of Java, because of its population problem, has long been considered highly desirable. The experiences of the depression have strengthened this view. Stimulated by the slight protection afforded by the increase of import duties, some progress has been made in recent years. The Government has promoted small industrial undertakings for supplying the local market. Large-scale enterprises have been established. General Motors, the Goodyear Rubber Company, the National Carbon Company, and Unilever have built factories. The textile industry has enjoyed a rapid growth. The Java Textile Company alone will soon employ 10,000 workers. Electricity consumption for industrial use increased 120 per cent between 1935 and 1938. The export of industrial products from Java to the Outer Islands increased in value from 30,600,000 florins in 1934 to 73,000,000 in 1940.

SHIPPING

While the open-door policy is followed with respect to shipping as well, this in practice does not mean quite the same thing that it does with respect to the tariff, for certain boat lines receive an indirect subsidy. Interisland transportation is of so vital a concern to this vast insular empire that the Government has to assure regular transportation if it is at all possible. To obtain this transportation the Government has entered into a contract with the Royal Packet Company, popularly known as the K. P. M.,¹⁸ in accordance with which the K. P. M. undertakes to maintain thirty lines on fixed schedule and to provide certain minimum accommodations for freight and passengers, in return for a monopoly of the Government's freight and passenger business. Many of these lines are maintained at a loss.

Of unusual importance in interisland traffic is the Government Marine. In a vast archipelago such as this, with literally thousands of islands, the Government cannot carry out its task without having at its disposal a large number of vessels of its own, as it is impossible for

¹⁸ Koninklijke Paketvaart Maatschappij.

the K. P. M. to reach all the islands and points which from the point of view of public administration should be visited. This is the task of the Government Marine. It was originally created to suppress piracy and theft, but in 1879 it was placed under the jurisdiction of a civil official and in 1898 it was divested of its military character. The number of ships in service in 1928 was 17, which yearly traverse in excess of 200,000 sea miles and carry about 10,000 passengers—officials and soldiers.¹⁹

Two Dutch steamship companies, the Netherlands Steamship Company and the Rotterdam Lloyd, maintain a weekly service between the Netherlands and the East Indies, the vessels of the two companies running on alternate weeks.²⁰ The run between Java and the Netherlands requires four weeks, but the time may be shortened six days by embarking or debarking at Genoa and going the rest of the way by train. The travel time can be further reduced three days by flying from Batavia to Medan, Sumatra, and boarding the boat there. These two companies also receive indirect subsidies through their contracts for the carriage of mail and Government passengers and freight. When it is remembered that normally more than a thousand officials and their families went on furlough to Europe each year, it can readily be seen that other companies would be greatly handicapped in maintaining a regular schedule in competition with these two companies.

In 1936 new legislation was enacted modifying somewhat the former liberal treatment of foreigners in East Indies navigation. A possibility was opened of limiting the effect of the unconditional most-favored-nation treatment of foreign ships. The new Navigation Act specifies the ports which are to be open to vessels of all flags, while all other ports, called "coastal places," are reserved to vessels flying the Dutch flag. The Governor General may, however, by special license allow foreign vessels to participate in this coastal trade if they belong to companies which had participated in this transport previ-

¹⁹ *Ibid.*, p. 157

²⁰ This was written before the disruptions caused by the present European war

ously. Under ordinances of 1933 and 1935 the Governor General may require that a certain percentage of the imports from any given country shall be carried in Dutch bottoms.

The Government also subsidizes the Royal Netherlands Indies Air Transportation Company, which in September, 1928, began operations in the East Indies. It now maintains a regular schedule between the leading cities of Java, between Batavia and Palembang and Medan in Sumatra, and between Batavia and Singapore. An air line between Batavia and Amsterdam was opened in 1928, which is conducted by the Royal Air Transportation Company. The Dutch Government by law of May 31, 1929, has agreed to purchase two and a half million florins of its stock and guarantee the interest on a loan of even greater amount. Two flights each way between Amsterdam and Batavia are made each week and the time has been reduced to five and a half days. All mail between Holland and the Indies is now carried by airplane at the regular postal rates.²¹

²¹ See preceding footnote.

Chapter XV

LAND POLICY

BEFORE 1839 the East Indian Government had leased some lands to non-natives, but this policy was for a while reversed in the period of the culture system. The encouragement of private Western agricultural industry was inimical to the policy of state exploitation, and between 1839 and 1853 no land cessions were made. In 1853 the policy of letting out wild lands was again resumed. A general measure regulating this renting was required by the East Indian Government Act of 1854, and in 1856 a general measure of administration governing this matter throughout the country was issued. These regulations, however, were unattractive to Western entrepreneurs. Under the articles of the Act and the general regulations based upon it the entrepreneur could attain his ends only by two means, renting from the Government or entering into arrangements with the natives to have them grow the products on their own land. The first method was unsatisfactory mainly for two reasons. The duration of the lease was too short; it could not extend over twenty years. Secondly, it gave the entrepreneur only a personal right which could not be hypothecated. The second method was also unsatisfactory because it gave the entrepreneur too little control over production.

Dutch capitalists, eager to penetrate the East Indies, clamored for more attractive conditions, and as a result Dutch politics for over a decade centered about the East Indian agrarian question. How to meet the demands of the capitalists for more favorable conditions granting access to the soil, without prejudicing the interests of the natives and their rights under customary law, was the problem to which the Government had to find a solution. The Minister of Colonies in 1866 had the Governor General issue a solemn proclamation to the people of the East Indies declaring that their right to the use of the land would be respected, and in order to ascertain what those rights were an investigation extending over many years was begun.

A solution of some of the most pressing problems of agrarian policy was reached by the Agrarian Law of 1870, which took the form of a supplement to the East Indian Government Act. The law sought to meet the demands of the entrepreneurs by permitting the Government to make long-term concessions of unused lands and by permitting natives to rent land to non-natives. The law also made provision for the protection of the economically weak natives and opened the door to the native to exchange his occupier's right for a new and more secure form of ownership. This law, substantially unchanged, forms part of the East Indian Government Act of today.¹

In a decree of 1870 the Government laid down the doctrine that all lands not held in private ownership formed part of the public domain. The principle embodied in this decree, which has become known as the "domain declaration," has been a subject of warm controversy for the last decade and a half. Under the decree, the Government acquired only such rights as remained after the deduction of all native rights to the land, for the East Indian Government Act expressly provides that the rights of natives under customary law must be respected. Unfortunately, little was known at the time about Indonesian customary agrarian law, for if all the active and dormant rights of the population were respected, no free lands would remain for leasing to Western entrepreneurs and one object of the agrarian law would be defeated.

The confusion created by the agrarian legislation from 1854 to 1874 clearly is not due to evil intentions but to a failure to understand the indigenous customary land law. While there was noticeable a gradual development toward an Eastern private property right in land, the highest right to the soil vested not in the individual but in a tribe, a league of villages, or most generally in a village. The supreme right of disposal never rested in an individual. The land occupier was not free to alienate, sometimes he was not even free in the use of his farm lands for rice, sugar, pasture, or living quarters;² the sale, pledging, or bequeathing to nonvillage members was prohibited. In such sales

¹ Art. 51.

² Van Vollenhoven, *De Indonesiër en zijn grond*.

as were permitted the village government had to coöperate. By moving to another village the occupier generally lost his rights. Frequently he had to give up a piece of his land when the interests of the village demanded it. Not only did the supreme right of disposal vest in the village, but the village jurisdiction extended over a much larger area than the soil actually under cultivation. This supreme right of disposal has, according to van Vollenhoven, six³ characteristics: "1) the community itself and its members may freely use the wild lands situated within the area of its jurisdiction, reclaim them, found a hamlet, collect produce, hunt and graze; 2) strangers may do this only with the consent of the community; 3) members sometimes and strangers always must pay something in recognition of the use of the land; 4) the community is responsible for certain definite misdemeanors committed within the area, the perpetrator of which cannot be detected; 5) the community cannot permanently alienate its supreme right of disposal; 6) it preserves the right to interfere even with reclaimed soil within the area of supreme disposal."

The question raised by Professor van Vollenhoven of Leiden and Professors Logemann and Ter Haar of the East Indies Law School is whether the wild lands which have been given out in concessions actually belong to the free public domain, or whether there does not rest upon much of these lands an Indonesian private property right protected by the agrarian legislation of 1854, 1870, and 1874. These experts on Indonesian customary law contend that all the recent literature supports the view that Indonesian private property rights have been violated in a large number of concessions. They contend that the only solution to the problem is a recognition of the fact of the right of disposal by the native community and a restriction of that right wherever and to whatever degree the general interest demands it. Thus concessions for Western enterprises would still be possible, only the communities would be consulted and an adat fee paid them by way of reparation.* They hold that the recognition of the village rights

³ *Ibid.*, p. 9.

⁴ See "Domein beginsel en erfpachtscontracten," *Indisch Genootschap*, 1930, pp. 83 ff.

of disposal are necessary to safeguard the structure of native society and its gradual evolution to a more modern basis.

The upholders of the state-domain principle contend that although Indonesian customary private law is recognized as law in the East Indies, it is such only so far as the legislator does not find it necessary to limit it in the general interest. The East Indian Government and the States General knew in 1870 that strictly so far as customary law was concerned it would be difficult to find any "no man's land" and that it must therefore be assumed that they intended to respect native customary law rights in a restricted sense only. The originators of the agrarian legislation, it is contended, aimed only at protecting customary rights in such lands as were actually in regular use. Moreover, the customary-law rights to lands within the disposal area but not under regular cultivation fall within the field of public and not private law. The rights of sovereignty over this land naturally passed from the former village states to the Dutch raj.⁵ Practical objections to the abolition of the domain principle are also brought forward. Recognition of the disposal right of the villages would mean that important national interests, such as the public forests, would be turned over to the villages, which are unequipped to deal with these interests.*

De Kat Angelino, ranging himself on the side of the upholders of the state-domain principle, concludes as follows:

With or without declaration of state ownership, with or without the grant of long leases, it always remains fundamentally the same old problem, the

⁵ *Ibid*

⁶ An extreme statement of the practical difficulties is made in an article by Deelman in *Koloniaal Tydschrift*, January, 1930, pp. 61-74. Abolition of the Domain Declaration, according to this writer, would mean that land would be given out according to adat or disposal right but without the necessity of approval by a European official. This would mean that either the native chiefs would come out for the interests of the native communities, in which case Western enterprises would probably get little land, or native heads would act in their interests, in which case Western enterprises would get the land but the population would lose because the chiefs would be corrupted. Further, the financial proceeds would go to the native communities, but this would mean that some would be flooded with money, which would be used for narrow local purposes, and other communities would be left short of funds. The question represents a contest between native and European interests which customary law cannot solve. Decision ought not to be left to either interested group but to an impartial third party which has the interests of both parties at heart. The writer loses sight of the fact that the opponents of the domain principle advocate interference in the public interest.

reshaping of small isolated, self-contained, and independent communities into members or cells of the greater organism. . . . What is important is that a unified society and an organic unified state should be formed. This is a process which must develop inevitably as a result of the spirit of the time, and which the colonial authorities must favor whether they will or not. Old functions and organs, indispensable to small isolated village states, are visibly disappearing. Others are modifying themselves into functions and organs that fit the connected cell which no longer gravitates around its own axis as a freely moving miniature organism. . . . We do not intend to recommend the method of the domain above all others, or to condemn it more than any other. It is entirely possible that the government will eventually give it up and once more recognize as rights what it now recognizes as only interests of the population. In that case it will relinquish its present position of leadership without, it would seem, being able to recover it by any other method. To do so will require the placing of full confidence in the understanding of the village population.

Meanwhile, these small circles in which only very gradually coöperation with the authorities in the interest of public health, credit, education, agriculture, and cattle improvement is beginning to show itself are still not very sensitive to the necessities of their own development, and still less so to those of the wider sphere outside. Whatever basis is adopted, interference with the right of reclamation is bound to create irritation, and expropriation, although always against indemnification and for the common good, after negotiations have failed, will make the intervention of the authorities less popular than the present system of long leases after a common deliberation and investigation into the interests of the population.⁷

A Government commission instituted in 1928 to investigate the whole problem anew recommended that the state-domain doctrine be gradually restricted in order that it might eventually be dropped as meaningless.

INDONESIAN RIGHTS TO THE SOIL IN DIRECTLY GOVERNED TERRITORY

Indonesian or native rights to the soil take four forms: right of disposal, right of occupation or possession, agrarian property right, and right of cultivation. In this matter Indonesian customary law and artificially created Government law are found alongside of each other.

⁷ *Colonial Policy*, II, 464-466.

The village right of disposal has been discussed in the section above. By the right of occupation is meant the right of the native to deal with the land as his own, subject to such limitations as flow out of general regulations and Indonesian customary law. In the law the words "in hereditary individual use" are used, but this expression does not seem to be altogether correct.⁸ Of practical importance is the distinction between hereditary individual possession and communal possession. Communal possession again takes two forms, periodical redistribution and fixed shares. Even when fields are held communally, the living quarters are held in individual possession. The transition from communal to individual ownership is generally regarded as a necessary condition of the development of native agriculture. After many years of hesitation and preparation, regulations were issued in 1885 providing for conversion and governing the manner of its execution. Under these regulations conversion must take place whenever three-fourths of those entitled to rights in the communal lands demand conversion to individual possession and accept the projected definitive division of the land. Little use was made of this right, probably for the reason that the process did not fit in with customary law. When the villagers begin to feel that periodical redistribution causes the land to be broken up into too many small pieces for profitable cultivation, the redistributions are allowed to lapse. This brings about an automatic conversion to hereditary individual possession under the customary law. In 1927, 75 per cent of the arable land of Java was held in individual hereditary possession, 14 per cent in communal possession with fixed shares, and 5 per cent in communal possession with periodical redistribution.⁹

In order to give the native greater security in his land than customary law gives him, opportunity is given him of converting hereditary individual possession into agrarian property right or ownership. The difference between the two forms of control is small. The chief differences are two: in the latter, the holder possesses written evidence

⁸ Kleintjes, II, 447 ff

⁹ Van Gelderen, *Voorlezingen over tropisch-koloniale staatsinrichtkunde*, p. 32.

of his right, which is also recorded in a public register, and theoretically land held in hereditary individual possession belongs to the public domain whereas land in agrarian ownership does not. Little use has been made of this right of conversion.

The right of cultivation is a form of possession even weaker than the native right of occupation or possession. It represents a right which is granted the occupiers, whether natives or foreign Asiatics, to lands which they have reclaimed or taken possession of by other lawful means.

WESTERN LAND TENURE

At various times between 1705 and 1829 the East Indian Company and the Government resorted to the sale of lands for the purpose of relieving a distressed treasury. These grants of land conferred upon the purchaser not only ownership of the soil but also manorial rights over the native occupiers. These tracts, called "private lands," are found only in Java. They vary greatly in area. The owners are mostly Europeans, Chinese, and Arabians, though corporations and municipalities are also found among the owners. Agriculture is pursued upon most of the private lands, but in the municipalities residences have been built upon them. A population of over a million lives on the private lands. The owners have the power of appointing native heads, of levying taxation in labor on the male inhabitants, and of demanding a share of the crops of the occupiers. Abuses have inevitably crept into the system and for the last two decades the Government has been repurchasing the private lands.¹⁰ The unredeemed private lands still cover an area of nearly 900,000 acres.

The rights of natives to the soil are carefully safeguarded. The agrarian article of the East Indian Government Act prohibits the Governor General from selling any land, except small tracts for the extension of cities and villages and for the establishment of industrial plants. Natives are also prohibited from alienating their lands to other than Indonesians. Europeans are barred from ownership of all land except small urban tracts. For the rest, nonindigenous persons and

¹⁰ See chap. xvii for the abuses in connection with forced labor on the private lands.

corporations can acquire the use of land under the following legal forms: long-period leaseholds, agricultural concessions, the renting of lands in the Javanese states, and renting land from the native population.

The agrarian article of the East Indian Government Act permits the leasing of lands for periods not exceeding 75 years. Lands available for leasing are the unused lands of the public domain. Leaseholds may rarely include more than about 500 bouws or about 900 acres, but there is no restriction on the number of parcels any person may hold. Only Dutch subjects, inhabitants of the Netherlands or the East Indies, or commercial companies established in the Netherlands or the East Indies may acquire leases. The agricultural concessions which are found in the Outer Islands do not differ greatly from the leaseholds. The parcels are much larger, running between 3500 and 5000 bouws or between 6100 and 8000 acres. The annual rental on leases and concessions, which does not begin until the fifth year, may not exceed one florin per bouw. As an aid to indigent Eurasians the Government lets out leases for small tracts, not exceeding 42 acres, on very favorable terms. On them, Eurasians carry on horticulture.

The East Indian Government faces a number of unsolved problems with respect to the leasing of large tracts for Western agricultural enterprises. The Government is sorely in need of the increased revenue which the Western enterprises produce, yet it must also protect the interests of the natives. Indonesian members of the Volksraad have already urged upon the Government the necessity of issuing new leases very cautiously. Complaint has been made that in some sections of Sumatra the best lands have been either leased to European planters or added to the public forests, so that the indigenous population is left with insufficient lands and those of poor quality. Nor has the Government indicated what policy it will pursue with respect to expired leases. In expirations thus far occurring, the leases were either extended or leases given to new land while the old lands were placed at the disposal of the natives. The lessees naturally would like to know in advance whether they will be given rights of renewal and

whether the Government will make reparation for their losses in the event of nonrenewal or nonextension.¹¹ On the other hand, the natives are clamoring for the lands now held by the European agricultural enterprises.

Europeans acquired the use of land in the states of Central Java under very peculiar conditions. The Eastern theory that all land belongs to the rulers here developed into practice. The rulers turned tracts of land over to members of their families and officials and transferred with these lands all the feudal rights over the occupiers to which they themselves were entitled. Among these rights were taxation in labor and a share of the crops. In the beginning of the 19th century the practice was begun of renting these lands to non-natives for agricultural purposes. This resulted in a tremendous increase in production, some of which went to the rulers and appanage holders, but none to the peasants. All kinds of abuses crept in. Native peasants often had to render as much as 250 days of labor on the sugar lands and 200 on the tobacco lands. Very little of this labor was paid for. The development of an independent peasant class was impossible under this system.

A continuation of these conditions could not be tolerated. In 1909 the East Indian Government, through its rights under the political contract, began a reorganization of the whole system, but it was not until 1920 that the first real changes were effected. Under the new regulations the European contractor received an impersonal right subject to hypothecation, and for a longer term. Compensation must be paid to the villages for the use of the land, the rates of which are subject to revision every ten years. Forced labor, however, with compensation was permitted for only five years more. After 50 years the legal relationship changes completely as all old rights terminate. Under the new regulations the peasant acquires a more definite title in the land in which he previously had only a right of use.¹²

¹¹ Planters whose leases are nearing expiration are already complaining that they are having difficulty in acquiring long-term loans.

¹² See van Mook, "De hervorming van het landhuurstelsel in de Vorstenlanden," *Indisch Genootschap*, 1926, pp. 71-100.

The great sugar industry of Java, as also the tobacco industry there, rests upon lands voluntarily rented to the Western companies by the native owners. Even decades ago lands available for leasing were found only in the hill and mountain sections, and experience had indicated that the cultivation of the cane could not be left to the native peasants. The only way out was the renting of lands from the natives. The agrarian article of the East Indian Government Act prescribes that the renting of land by Indonesians to non-Indonesians must be regulated by ordinance. The interests of the economically weak natives are carefully safeguarded by regulations.¹³ The contracts are not legal unless approved by the appropriate government official. Since nullification did not sufficiently protect the interests of the natives, a penal sanction for the conclusion of an illegal contract was added. To receive official approval contracts must meet a number of protective conditions. Not more than a third of a village's land may be withdrawn from native cultivation during the west monsoon or wet season. Under long-term (2½ years) intermittent contracts the land must be turned over to the owners for cultivation every third year. Every five years the Government sets the minimum rent which may be paid where long-term contracts obtain.¹⁴

¹³ The following comment, taken from Clark, *Porto Rico and Its Problems*, p. 628, throws an interesting light on what outsiders think of the conditions under which the Java sugar industry operates. Incidentally it also indicates how difficult it is to reconcile the interests of the economically weak natives and the powerful Western enterprises. "Sugar can probably be produced most efficiently and economically by companies that combine agriculture and manufacturing under a single management. In no country except Australia, where sugar is produced under highly artificial conditions, or in countries like Java, where the cultivator is regimented in a way that would not be tolerated under American conditions, have landless controls succeeded. In Java most cane is raised on land leased from the native villages, but this leasing is regulated by an autocratic government, and the share of sugar received by the cultivator is only 50 per cent compared with 60 to 70 per cent in Porto Rico."

¹⁴ The amount of land under the different forms of tenure was as follows in 1928:

Legal status of the land	Java and Madura		Outer Islands	
	Holders	Area (hectares)	Holders	Area (hectares)
Private lands	152	552,310	106	1,972
Long leases	1,109	680,080	1,262	1,230,205
Lands voluntarily hired from the inhabitants	..	208,044	..	..
Estate lands in the Javanese States	..	70,550	..	..
Long leases of small holdings for horticulture	480	5,262	30	256
Agricultural concessions	..	..	389	1,337,128

From *Handbook of the Netherlands East Indies*, 1930, pp. 153 ff.

EURASIAN RIGHTS TO LAND

The Eurasians, or Indo-Europeans, are legally assimilated to Europeans, and hence they too are excluded from native rights to the soil. They are increasingly meeting with competition from the Indonesians and the foreign Asiatics for the minor governmental and clerical positions in business which were formerly their patrimony. The depression has made the position of many of them very difficult. It was long thought that access to the soil might help to improve their condition, and in 1904 the Government adopted the policy of leasing small tracts to Eurasians for truck-farming purposes. The Eurasians complain that the existing procedure for acquiring rights to land is too involved, costly, and uncertain. The Eurasians desire the right to obtain permanent title to land, for either farming or residence purposes, by a simpler and less costly method. Under the present regulations the native landowner must first be induced to surrender his land rights to the Government, whereupon the land becomes part of the public domain. The Eurasian may then by application to the Government acquire a lease of the tract for a period not exceeding 25 years. The Eurasians are demanding the right to purchase land directly from the native owners, and are making a strong sentimental plea which the Government finds it hard to resist. It is, however, an extremely difficult problem. The Indonesian nationalists are opposed to granting the demand. Once the right of land ownership has been granted to the Eurasians, it will be difficult to deny the same right to Indo-Chinese and other nonindigenous Asiatics, and finally to all persons born in the country. The Indo-Chinese are seven times as numerous as the Indo-Europeans and have greater financial resources. Granting the right of land ownership to all these groups might easily have the effect of destroying the protection which the natives have so long enjoyed and thus nullifying what has been a cardinal and highly commendable principle of Dutch colonial policy.

The Eurasian demand became so insistent that the Governor General in 1931 appointed a Commission to examine the problem and make

recommendations. After several years of investigation and deliberation the Commission made its report.¹⁵ It concluded that to the Indo-European "stayer" in poor circumstances a way should be opened of acquiring possession of the soil by a more direct, more certain, and less costly method than is now possible, without, however, endangering the interests of the native population. The Commission recommended that the alienation prohibition be modified so as to permit natives to alienate their land to European "stayers" of lesser means who are also Netherlands subjects. The alienation and its consequences should in principle be governed by the local customary law. For residence purposes the individual tract should not exceed one bouw (about one-half acre) and for agricultural purposes five bouws. The alienation to Europeans should be permitted only within certain prescribed areas, and in no area should the amount of land possessed by Europeans be allowed to exceed a certain percentage (5 per cent of agricultural lands). With respect to nonindigenous Asiatics, subjects of the Netherlands, the Commission proposed that they be allowed the right to acquire land rights for residence purposes on the same basis as Europeans, but not for agricultural purposes, at least not on Java and Madura.

MINING CONCESSIONS

From the time of the Dutch restoration in 1816 to 1851 private exploitation of minerals and oils was excluded. In the latter year the policy of permitting private exploitation was adopted, exclusive, however, of Java and Banka. Provisionally in 1867 and definitely in 1874, regulations governing private exploitations for the whole Indies, exclusive of Banka, were issued. The regulations were not sufficiently attractive for the development of a prosperous industry. The petitioner for exploitation rights had to give guaranties of having command over ample capital and also of the possibility of profitable exploitation. The rights of the surface owners were so carefully guarded that prospect-

¹⁵ *Verslag van de commissie voor het grondbezit van Indo-Europeanen*, Batavia, 1935. See also the discussion of the subject in *Indisch Genootschap*, November 10, 1937.

ing was made difficult.¹⁶ A new mining law was passed in 1899, which has since been revised and first went into effect in 1907.

The mining law lays down the fundamental principles governing private exploitation of minerals in directly governed territory. While not explicitly stating it, the law assumes that all subsoil rights belong to the Government. The law divides the minerals into two groups. In the first group are found precious stones, graphite, platinum, gold, silver, tin, iron, lead, copper, zinc, manganese, antimony, and like metals; to the second belong coal, petroleum, asphalt, and so on. Furthermore, the law distinguishes between prospecting and exploitation. A license for prospecting must be obtained from the head of the district administration. Licenses are granted for a maximum of 10,000 hectares and for terms of three years, subject to two extensions of one year each. If prospecting is not started within one year, the license is withdrawn. Licenses are granted only to the following: Netherlanders, persons domiciled in the Netherlands or the East Indies, companies established in the Netherlands or the East Indies, or corporations whose managers or directors are citizens of the Netherlands or are domiciled in the East Indies and have full rights of domiciled persons, and who, if the latter, must at the same time reside in the East Indies or the Netherlands.

The holder of a license may apply for a concession to exploit within the area of his license. Application must be made to the Governor General, accompanied by necessary documentation relating to the presence of minerals and the technical possibility of their exploitation. Concessions are granted only for the exploitation of the minerals of the first group mentioned above. Concessions are granted for a maximum period of 75 years and for a maximum area of 1000 hectares. When the discovery of minerals has been made by Government agents, concessions are let to the highest bidder. Prospectors as well as concessionaires must pay an annual fixed duty of $2\frac{1}{2}$ and 25 Dutch cents per hectare, respectively, and further, 4 per cent of the value of

¹⁶ Kleintjes, II, 505 ff

the product exploited. Certain areas are reserved for prospecting and exploitation by the Government exclusively.

In 1915 the States General adopted a resolution favoring Government exploitation of the petroleum fields in Djambi, Sumatra. It was felt that too large a share of the profits was going to capital outside the East Indies. However, the Government was of the opinion that great objections attached to governmental exploitation because of the problems involved in transportation and sale of the product. A solution was found in the law of 1921, providing for a mixed or joint enterprise. The Minister of Colonies was empowered to form a corporation¹⁷ with such persons as he might choose, for the purpose of exploiting the oil resources of the region. The Bataafsche Petroleum Maatschappij, a subsidiary of the Royal Dutch, was chosen for partnership in this corporation. A simple exploitation agreement was later concluded with the Koloniale Petroleum Maatschappij, a subsidiary of the Standard Oil.

The Government itself operates the tin mines of Banka as well as numerous silver, gold, and coal mines in Sumatra. The tin of Billiton is exploited by the mixed or joint corporation, in which the Government is a large shareholder. The tin mines of Singkep are worked by private companies.

The amount of minerals in the East Indies has been a good deal of a disappointment in view of earlier expectations. The important ores are found in the Outer Islands, where there is an insufficient labor supply and poor transportation.

Most of the Native States, those whose relations to the Central Government are regulated by the Short Declaration,¹⁸ have lost control over the right of disposing of subsoil rights. For these the provisions of the mining law apply.

¹⁷ *Nederlandsch-Indische Aardolie Maatschappij*.

¹⁸ See chap. x, "Native States."

Chapter XVI

WELFARE POLICY

A LIBERAL colonial welfare policy is highly dependent upon a Western industrial policy. The original requirements of the indigenous population can be met by the primitive methods of production, but the requirements of a civilized people cannot. Clothes, shoes, soap, churches, schools, police, law courts, hospitals, medicine, and all the other instruments and institutions of civilization require a much increased production for their support. Surplus goods must be produced by the economic system of the country to pay for these costly Western institutions. In the old civilized countries the supply of these utilities developed slowly in answer to the gradually increasing wants of the people. In a colony, however, these services and institutions are introduced not in answer to a gradually evolving demand of the population, but by the colonial government, largely in response to the demands of the humanitarian and liberal forces in the metropolitan country, and partly in response to the demands of the Western colonists. The indigenous community has not evolved an economic support for these services and institutions for the reason that it has not learned to demand them. The government is therefore compelled to provide them by means of taxation. This leads to a peculiar result. The more insistent is the demand at home for a liberal colonial welfare policy, the more necessary it becomes to encourage the introduction of Western enterprises, since Western methods of production produce so much more than the crude native economy. But Western enterprises can do nothing without native labor, and therefore the government must also by one means or another make a dependable labor supply available. All this raises a thousand and one problems.

The importance of Western economy in producing the surplus values necessary for the maintenance of a liberal welfare policy is evident from a few figures: It has been estimated that before the depression 40 per cent of the public revenue in Java was contributed by the

inhabitants, 40 per cent by Western industries, and 20 per cent by the Government industries.¹ The Europeans pay over half of the income tax alone. The East Coast of Sumatra, the center of the large European industries, before the depression yielded to the central treasury a surplus of 50,000,000 florins after deduction of local costs of administration.

Does the presence of Western capitalist enterprises aid or retard native welfare? About this there is much dispute. The Western agricultural enterprises have tremendously increased the social income, but they also stand in the way of the development of an independent farmer class. In the sugar districts of Java the native landowner rents his land to the sugar companies and becomes a laborer on his own land as well as in the factories. In the Outer Islands, as for instance on the East Coast of Sumatra, the soil alone has a purely native character. The land is acquired through long-term concessions from the Government; for the rest, everything is imported. Capital, the managers, and the assistants are all European. Even the laborers are imported, being "contract coolies" from China and Java. There are no gradations in this economic structure by means of which the native can climb to higher economic levels. Between the native small holders and the highly and technically organized Western industry there is nothing. The native finds it practically impossible to forge ahead in the presence of these powerful economic units with their highly developed technical organizations. Differentiation in native society takes place very slowly. There are also many complaints from the natives that the Government officials, Indonesian as well as Dutch, do not champion the rights of the natives against the sugar industry. The villages, so runs the frequent complaint, are under the control of the industry, which does not give the natives a fair deal in such matters as water division and land rent. If the official is pliant he is praised; if not, influences are brought to bear against his promotion or for his transfer.

¹ Meyer Ranneft, "The Economic Structure of Java," *The Effect of Western Influence on Native Civilizations in the Malay Archipelago*, edited by B. Schneke, p. 78.

The trade-balance figures² indicate how largely the East Indies is an economic as well as political dependency. The great export surpluses are pointed to by Indonesian nationalists and European liberals as clear evidence of "drainage." The theory is true only if the export surplus comes out of and cuts down native income. But this is hardly the case, except probably with respect to minerals. Once the oil and tin have left the country they are irretrievably lost, and the future productivity of the country is that much impaired. Fortunately the Government itself is a large producer of both, so that a large part of the profits remains in the country.³ Excessive profits have been made in good years and the Government might have kept a larger share of this in the country by higher profits taxes.⁴ The Volksraad has demanded a tax on the export of petroleum, but this request has been rejected by the Minister of Colonies. Profits in the oil industry have in certain years been seven times as great as the amount paid out in wages in the East Indies.⁵ In this economic structure the foreigner provides the capital, the native the land and labor. The natives are kept on a wage-earning basis and the new capital, accruing to the foreigner, is reinvested.⁶ It is practically impossible for the natives to break through this circle and acquire a share in the profits. And because of the unproductivity of labor in the indigenous sphere the formation of native capital takes place very slowly.

The alien entrepreneur in all agricultural industries seeks to place the natives in a position of economic dependence, even where he buys for export. He does this by advancing seed, by giving advice and

² See App. II

³ Though part of this flows out again in the form of pensions, furlough allowances, and so on.

⁴ The writer must state in all fairness that Western capitalists in the East Indies have complained bitterly of the high taxes.

⁵ Van Gelderen, *Voorlezingen over tropisch-koloniale staathuishoudkunde*, pp. 94-124.

⁶ The sugar production in 1920 had a value of 820,000,000 florins, which, according to Mr. Treub of the Entrepreneurs' Council, was divided as follows: East Indian taxes, 165,000,000 florins; to the natives in land rent, wages, etc., 109,000,000 florins; European personnel in the East Indies, 97,000,000 florins; liquidations, renewals, etc., 112,000,000 florins; of the remaining 339,000,000 florins at least two-thirds remained in the East Indies in the form of reinvestments *Nederland in de Oost*, p. 336.

instruction in production, or by advance payments or contracts. This happens in spite of efforts on the part of the Government to protect the native. Where the alien entrepreneur is unable to bind the native

TABLE 7
EXPORT VALUE, AS SEPARATED IN CORPORATION AND INDIVIDUAL
NATIVE PRODUCTION
(In millions of florins)

Product	1936			1937		
	Total	Corporation	Native	Total	Corporation	Native
Rubber	86 8	67 7	19 1	296 7	151 9	144 8
Pepper	10 8	... .	10 8	7 0	.	7 0
Maize	4 4	..	4 4	6 8	..	6 8
Coffee	15 6	5 2	10 4	25 9	8 6	17 3
Coconut products	44 2	2 5	41 7	72 0	3 6	68 4
Oil-palm products	23 1	23 1	..	29 1	29 1	... .
Sugar and by-products	34 1	34 1	.....	50.7	50 7	... .
Tapioca products	11 8	2 5	9 3	18.0	3.6	14.4
Tea	42 9	35 1	7 8	49 1	40 3	8 8
Tobacco	37 8	35 4	2.4	41.1	38.0	3.1
Quinine products	11 2	11.2	.....	10 3	10 3	... .
Agave	9 0	9 0	.....	15.0	15.0	.....
Other agricultural products	30 7	3.0	27 7	37.8	3.0	34 8
Total of agricultural products	362.4	228 8	133 6	659 5	354.1	305 4
Tin products	46 1	46 1	... .	83.5	83.5	....
Petroleum products	96.6	96 6	.....	165 2	165 2	.....
Other products (including forest products)	32 6	4 0	28.6	42 0	4.5	37.3
Total of all products	537 7	375 5	162.2	950.2	607.3	342.9

From *Indisch Verslag*, 1938, I, 45, 46.

by advance credit or other means and where there is a free market and a consequent sharp competition in the purchase of the product, the natives have done very well in establishing a purely native industry, as in the native rubber culture in the Outer Islands.

There are evidences of a growing participation of the natives in the production of export articles on a large scale. This is especially true of the Outer Islands, where conditions are much more favorable than in Java. Table 7 (p. 261) indicates the native share in the production of the various export crops and in the total exports.

WELFARE CONDITIONS

In its concern for the native welfare the Government has had two important surveys made. As a result of the first (1902-1914), some twenty important monographs were published. A second inquiry (begun in

TABLE 8
DISTRIBUTION OF INCOME-TAX PAYERS

Class of income (in florins)	Europeans	Foreign Asiatics	Natives
120- 400 ..	0 04	7 76	54 44
400- 1,200	0 66	29 29	31 07
1,200- 5,000	13 73	23 71	11 20 .
5,000- 10,000	21.60	10 11	1.65
10,000- 25,000. . . .	27 02	10 67	1 15
25,000-200,000. ..	32 65	17 09	0 49
200,000-500,000 .. .	4 30	1 37	..
	100.00	100.00	100.00

From the Departement van Landbouw, Nijverheid en Handel, *Mededeelingen van het Centraal Kantoor voor de Statistiek*, No. 69, 1929

1924) has also yielded valuable material. These inquiries provide the information upon which a realistic welfare policy can be based.

The total annual income was estimated at three and one-half billion florins in 1929, one and one-half billion in the years 1934-1936, and two and one-half billion in 1937-1939. The Indonesians' share for these years was estimated at two and one-half billion, one billion, and one and one-half billion florins, respectively. The average annual income of the peasant family on Java was 50 florins. On some of the other islands, such as Sumatra, where conditions were more favorable, the average annual money income was about 100 florins. Income tax statistics indicate that of the income taxes paid by Indonesians, 54.44

per cent is paid by those receiving incomes of from 120 to 400 florins, and 85.5 per cent by those receiving incomes of from 120 to 1200 florins. (See table 8.) Among people of such low incomes little saving is possible. Whatever the farmers save they invest in houses, cattle, clothes, and ornaments—sometimes in gold, which is hidden in a secret place. In this way some formation of capital takes place. With the extension of money economy the Government had to consider the possibility and desirability of the creation of capital by natives. For this purpose the postal savings bank and the popular credit system were instituted. In 1913, Indonesians had nearly 2,000,000 florins on deposit in the Postal Savings Bank, in 1924 over 4,600,000 florins, and in 1932 Indonesian deposits had increased to 8,624,000 florins. The average number of Indonesian accounts increased from 56,134 in 1913 to 213,583 in 1928. In 1937 a total of over 28,000,000 florins was deposited in the Postal Savings Bank and nearly 23,000,000 florins withdrawn, leaving a total of deposits at the end of the year of over 42,000,000 florins. The number of depositors totaled 305,588, of whom 87,537 were Europeans, 32,572 nonindigenous Orientals, and 185,479 natives. Savings in this form are not made by farmers but by the new indigenous classes, such as functionaries, soldiers, clerks, and servants, who have lost contact with the soil and are completely taken up in the money economy.⁷ The amount of Indonesian capital was estimated at about 900,000,000 florins in 1940.

The depression caused a very serious lowering of the standards of native welfare. The native population withdrew from the Western money economy and returned to the closed economy of the native village. In some sections the population lived very near the starvation level. The tuberculosis rate went up alarmingly. To prevent actual starvation the Government had to distribute rice to districts in extreme need. Hence, the Government established in 1934 the Institute for Popular Food Consumption. The Institute investigates dietary conditions, foods, and food shortages, trains dietitians, disseminates information, and engages in propaganda for better dietary habits.

⁷ *Verslag van den economischen toestand der inlandsche bevolking, 1924*, p. 348.

The material condition of the indigenous population is characterized by very frugal food, scanty clothing, few durable dwellings, and little ability to withstand economic shocks. This is of course the condition among all Eastern tropical and semitropical peoples. In competition with more aggressive foreign population groups like the Europeans, Chinese, and Arabians, and the large-scale Western enterprises, the development of a native middle class takes place only slowly, but gradually some differentiation is taking place in native society. Recently middle-class societies have been organized in several of the leading urban centers. In the Outer Islands, where economic conditions are much more favorable, owing to a far greater sparsity of population, the natives are sharing much more widely in the economic development of the country. Since the East Indies do not yet constitute an economic unit, welfare standards differ from place to place. In many parts of the Outer Islands the closed village economy has not yet been broken down by trade, and economic conditions depend upon local factors such as density of population, production possibilities of the locality, and stage of economic development. Differences in the standard of living are great even in Java.⁸

How the natives can be made to share more generously in the economic life and development of the country is the fundamental problem in all native welfare policy. One leading Dutch student⁹ of this subject holds that no great advance may be expected until the Indonesian develops a much greater appreciation of the value of goods which will serve future needs. For the Indonesian, goods have a rapidly diminishing marginal utility. He will work hard if the reward is immediate; the offer of a far greater remuneration in the future fails to move him. Many factors may be singled out in explanation of this strong preference for immediate goods. The Indonesian has few

⁸ The inquiry into the welfare of the indigenous population instituted in 1924 indicated that there had been a slight decline in welfare over the last two decades. The final conclusion is that the purely agricultural population now consumes more food on the average, but of poorer quality than before the war, and can import somewhat fewer goods in exchange for the surplus of its production. *Verslag van den economischen toestand der inlandsche bevolking, 1924*, p. 109.

⁹ Gonggrijp, *Het arbeids vraagstuk in Nederlandsch-Indië*

needs; the climate is mild and nature bountiful. Money economy has not yet deeply penetrated all sections, and hence he has small conception of exchange except for immediate use. The arbitrariness and fiscal tyranny of the princes in the past and the general insecurity have developed a subjective preference for present goods. Poverty and the average short duration of life, which is only about twenty years as compared with fifty-five years in advanced countries, have an unconscious influence on his time preference. And lastly, the tribal, family, and village communism, which serves as a sort of old-age insurance, also has its effect. "The campaign of the popular credit system against usury and the native's inclination to borrow, and the efforts to develop in him a desire to save," concludes this writer, "will remain difficult so long as his value curves continue to drop rapidly because of the great future *dis-agio*. The same is equally true of the campaign against the practice of asking for advances, against the inclination of the native to mortgage his goods and against all forms of credit-taking."¹⁰

Another Dutch student has emphasized the necessity of self-activity as a means of improving native welfare. Unless the natives are brought to a point of greater energy, initiative, and self-reliance, all efforts at improving welfare must fail, for an increase in population will neutralize every gain made. Hygiene, irrigation, better methods of protection—all these merely enable a larger population to live at the same low level at which the smaller population lived before. Efforts must be directed at changing the mentality and attitude of the persons rather than at increasing production. Training should be personal rather than factual.¹¹ For this reason great importance is attached to coöperatives and the coöperative movement. If coöperation is to succeed, the initiative must come from the people; coöperation cannot be imposed from above. At best the Government can lend powerful support and provide necessary control, but the actual work must be left to the Indonesian individuals; coöperation must begin at

¹⁰ *Ibid.*, p. 21.

¹¹ Boeke, "Auto-activiteit naast autonomie," *Indisch Genootschap*, May, 1922, *idem*, "Het zakelijke en het persoonlijke element in de koloniale welvaartspolitiek," *Koloniale Studies*, XI, Pt. I, pp. 157 ff.

home. It is held that coöperatives have a great educational value and can lead the way to economic independence.¹²

JAVA'S POPULATION PROBLEM AND COLONIZATION

The startling rise of Java's population during the last one hundred years has already been discussed.¹³ Careful analysts of the statistics conclude that a gradual decline in the rate of increase is noticeable. However that may be, the population of Java and Madura has reached an amazing density for a country which is about 96 per cent rural and it is increasing at the rate of about 400,000 to 600,000 a year. In contrast with the 314.5 inhabitants per square kilometer (800 per square mile) of Java and Madura is the average of 10.7 inhabitants per square kilometer for the Outer Islands. The limits of agricultural extension have been reached, both native and European, and a population crisis has developed. The average area of land at the disposal of the peasant has become so small as to form a barrier to national prosperity. Food products such as rice and soy beans already have to be imported. Though extensification is no longer possible, something can probably still be done by more intensive cultivation. The situation is indeed a serious one. A Dutch colonial official in 1937 calculated that Java's need of food supplies was increasing at 4.2 kilograms per second.

The solution of this problem is indeed a difficult one. Every advantage of nature and every advance in the means of production is quickly neutralized by an increase of population. Western hygiene has come in to destroy the old balance between population and native production technique; therefore Western technique must be brought in to restore the balance. However, the introduction of this technique from the outside merely enables a larger population to live at the former low level of existence. In Europe the social and intellectual revolution took place before the development of a dense population, and thereafter served as a check upon it, but in Java the conditions are just the reverse. The increase of population in Java came from an

¹² See Krafft, *Co-operatie in Indië—een sociaal-paedagogisch vraagstuk*.

¹³ See chap ii, "Social and Economic Structure."

intense colonization and Western peace and hygiene, and the social awakening is only now taking place, after the population has already become very dense and the problem acute.¹⁴ For this reason the economic outlook, and in consequence also the cultural future, of Java and Eastern and tropical countries in a similar position is extremely gloomy.

What has the Government done and what more can it do to solve this problem? As early as 1905 the Government began with colonizing the Javanese in the Outer Islands. The impetus to this movement was given by the general belief during the years from 1900 to 1905 that the welfare of Java was declining. The colonists were given free transportation and financial support during the first years of settlement. Government encouragement of colonization has been a settled policy ever since, but the policy has been costly and has yielded meager results. Including the contract labor emigrants, the total number of Javanese living in the Outer Islands did not exceed 800,000 in 1930. Since then more than 150,000 Javanese coolies have been sent back to Java by the Western culture enterprises in Sumatra. There has also been some emigration from Java to Surinam, the Straits Settlements, Indo-China, and New Caledonia.

In the last few years the Government has gone at the problem with more vigor. Part of the gift of 25,000,000 florins from the mother country has been used for this purpose. In 1937 a Central Commission for the Emigration and Colonization of Natives was set up. Increased amounts have been set aside in the budget to finance the work. The number of colonists has increased rapidly: 13,152 in 1936, 19,700 in 1937, 33,399 in 1938, 45,339 in 1939, and 53,000 in 1940. The majority are settled in Sumatra, but an increasing number are now being sent to Celebes and some to Borneo. If the number of colonists can be increased to 100,000 a year, transmigration may bring some relief to the population pressure of Java, but until then it can hardly be more than a minor factor. There has also been some coloni-

¹⁴ The plague, for instance, is more prevalent in the more densely populated districts of Java than elsewhere.

zation of Eurasians, but their colonies have not been very successful. A colony started in New Guinea in 1930 is almost completely a failure.

For the present the only demographic outlet is an increase in production. Since 1900 the Government has spent about 250,000,000 florins on irrigation works in Java alone, and has by this means added about 900,000 acres to the area of flooded fields. Table 9 indicates

TABLE 9
IRRIGATION IN JAVA AND MADURA

Irrigation areas	Hectares	Per cent
Irrigated areas for which permanent works have been put in operation	1,040,000	23
Irrigated areas for which permanent works are under construction	183,000	4
Irrigated areas for which permanent works have been taken under investigation . .	505,000	11
Irrigated grounds and grounds depending on rainfall for which as yet no plans are made . .	2,840,000	62
	4,568,000	100

From Handbook of the Netherlands East Indies, 1930, p. 207

what has been done and what remains to be done in the way of constructing irrigation works in Java and Madura.

It is thought by some that the abundant water power in Java may be utilized to produce electricity at such low rates as to make possible a revival of native industries. Native industries must, however, overcome the sharp competition of Western and Japanese factory-made articles. While the revival of native industries is not impossible, it waits upon a better domestic market, that is, upon an improvement in agricultural methods. Mr. Wellenstein of the Welfare Commission advocated encouragement of cottage industries. The people are only periodically employed in farm industry and have frequent and long idle periods. Men too old and feeble to work in the fields could also be profitably engaged in batik making, spinning, weaving, and carv-

ing. Cotton could be planted and the people taught to make their own clothes instead of importing them. Two important advantages are claimed for cottage industry: it would give the villager a greater income and it would teach him to use his time profitably. It is significant that the nationalists have adopted *Swadeshi* (the production and use of home manufactures) as one of their slogans.

However desirable the expansion of the cottage industry may be, it is of small assistance in the solution of the population problem; but small-scale industry, which absorbs the workers' full time, can be of great help in mitigating the population pressure and in raising the standard of living. Since 1934 the Government has successfully encouraged the development of a vigorous small-scale textile industry.

GENERAL CONSTRUCTIVE MEASURES

Before 1900 little attention was paid to irrigation, but the increasing concern over native welfare beginning with this year caused attention to be directed toward this problem. Until recently the irrigation projects aimed only at securing an abundant water supply during the west monsoon, but the rapidly growing population of Java made it necessary to make the ground productive also during the east monsoon. This is not a simple problem, for it involves the construction of large reservoirs. Small reservoirs are found throughout East Java, but to date only two large reservoirs have been constructed. While a regular supply of water is the primary object of irrigation, an important secondary object is prevention of soil depletion, and, if possible, soil enrichment. The people own only small parcels of land and have little capital; hence little fertilizing takes place. Nor can overpopulated Java afford to allow its lands to lie fallow. With adequate irrigation the soil is replenished by means of the loosened particles from the hillsides and the fertile mud which the irrigation waters deposit on the fields.

Since 1900 the Government has spent nearly 200,000,000 florins on irrigation projects. For several years the annual expenditure on irrigation works ran as high as 9,000,000 florins, and the annual appro-

priations since 1921 have averaged about 7,000,000 florins. Very nearly all of this has been spent on works in Java. The sparse population of the Outer Islands has made irrigation projects there less urgent.¹⁵

The credit demands of the indigenous population are enormous. Even under normal conditions the natives live on credit. The amount of credit extended by governmental institutions alone for Java and Madura in 1924 was 241,000,000 florins out of a total social income of 1,355,000,000 florins, or 17 per cent. The amount of credit extended by Chinese, Arabian, and native money lenders is unknown, but in some sections the amount of credit advanced equals the total income.¹⁶ The scarcity of capital and the natives' lack of economic sense in discounting the future leads to exorbitant interest rates. Interest rates sometimes run as high as 100 per cent for a loan of a few months. Money lenders generally receive from 10 to 15 per cent per month on the money they lend out. The native is generally so far behind in his obligations that he asks for his wages months in advance, and when paid in advance he receives only half of the cash wages.¹⁷

The Government long ago discovered that laws prohibiting usury were ineffective and that something positive would have to be done as well. The Government had tried to combat usury, first by a system of concessions and then by licensing pawnshops. It found neither of these systems satisfactory and in 1900, after having returned to the concessionaire system, it began to set up its own pawnshops. Since then the number of Government pawnshops has been extended until now there are more than 400. Wherever the Government sets up a pawnshop pawning becomes a Government monopoly. In 1929 the number of articles pawned was 56,000,000, against which a total of 207,000,000 florins was advanced. About 48,000,000 articles were redeemed, 6,000,000 pawns were renewed, and about 4,500,000 unredeemed articles sold at auction. Pawning in the East Indies is

¹⁵ See "Bevloëngen," *Encyclopadie*, I, 289 ff., Aanvullingen, 985 ff., also "Het irrigatiewezen in Nederlandsch-Indië," *Mededeelingen der regering omtrent enkele onderwerpen van algemeen belang*, June, 1930, pp. 93 ff.

¹⁶ *Verslag van den economischen toestand der inlandsche bevolking*, 1924, pp. 311-312.

¹⁷ *Ibid.*, p. 313

unlike the practice in Western countries. It is resorted to not merely in times of extremely urgent need and for consumptive credit; it is a regular practice, and is employed even for productive purposes. All categories of people engage in it. Often, when new clothes are bought for holidays or other festive occasions, the prime consideration is how much can be obtained for them in the pawnshop after a few days' wear. An increase of pawn credit may or may not indicate declining welfare or economic development, depending upon whether the credit has been used for consumptive or productive uses. The regularity and high percentage of redemption would indicate that the credit is productive. It is used to buy seed, articles to sell from house to house and at roadside restaurants, and for similar purposes. Over 90 per cent of the articles pawned are of a value of less than 25 florins and many are of a value of less than a florin. About 90 per cent of the articles are generally redeemed within two to three months.¹⁸

The pawnshop monopoly yielded the Government a profit of over 17,000,000 florins in 1926 and nearly 15,000,000 in 1928. The Government was criticized for maintaining rates so high as to return such profits, since it really constitutes an indirect tax very regressive in character. As far as the influence of economic rates on the economic condition of the people is concerned, it can only be said that the lowering of rates in 1920 did not cause an increase in pawning, nor did the raising of rates in 1924 decrease pawning. Nor did the rate increase have an unfavorable influence on the percentage of redemptions; in fact the percentage went up.¹⁹ In recent years the profits have run from about three to three and one-half million florins.

Towards the end of the last century, experiments were begun for the purpose of arriving at a serviceable credit system for the indigenous population, by means of funds brought together as much as possible by the natives themselves. It was felt that credit of this sort would have a high educational value and would be more extensively used for productive purposes. In 1904 the Popular Credit System was established as an agency of the Government, with three forms of

¹⁸ *Ibid.*, pp 325 ff.

¹⁹ *Ibid.*, p. 337.

popular credit and savings institutions. The Popular Credit System differs from pawn credit in that it works purposely at the natives' economic training. It directs the borrower's attention to the object for which he comes to borrow and tries to save him from over credit expansion. At the base of the system are the village *loemboengs* or rice banks. The banks are erected at the cost of the villagers, but in districts where the means of the people are inadequate the Government advances money without interest for the purchase of rice and of building material with which to construct the warehouse. As soon as need for rice develops in the village, which regularly occurs each year and continues until the next harvest, the peasants can borrow rice from the bank. They repay it with interest *in natura* after the next harvest. The rice not loaned out is sold each year, and the surplus, after deducting the costs of administration, is placed in a reserve fund. The rice banks keep the rice from too rapidly passing out of the hands of the peasants into the hands of the buyers, and in that way prevent a sharp decline of prices immediately after the harvest and an equally sharp increase of prices a few months later when the rice has passed into the hands of the buyers. As a result the price of rice is maintained at a more constant level throughout the year, which in turn has a favorable influence upon food supply and wages. The rice banks also enable the peasants to prepare their soil better and in proper season, without suffering want.

The number of rice banks reached its highest figure in 1917, when there were nearly 11,000. Since then they have declined to fewer than 6,000. In the early years too many banks were erected in sections where there was little need for them and the gradual improvement of transportation and the development of money economy made them less necessary. Many were transformed into money banks and the weaker ones were liquidated. The average capital per bank was 243 piculs (136 pounds avoirdupois) in 1917 and 356 piculs in 1928; the average number of borrowers increased during the same period from 125 to 182. The interest rate, which in early years ran as high as 50 per cent, by 1928 had been reduced to 25 per cent in nearly 60 per

cent of the banks. The total reserve of the rice banks in 1937 was 8,205,000 florins and 1,326,000 piculs of rice.²¹

The village banks, which deal in small monetary loans, have the same legal character as the rice banks and are operated and governed the same way, that is, by the village government. The operating capital comes in small part from the people themselves; the remainder comes from the rice-bank surpluses, from the native commune, or as a loan from the divisional banks, and in the course of operation they create their own means. In this bank the villager can, in his own environment, in his own locality, and with a certain amount of participation in the control, obtain such small sums as he needs. These banks are still in a developmental stage. Their number in Java and Madura increased from 1994 in 1919 to 5317 in 1928 and 6538 in 1937. The number in the Outer Islands was 469 in 1937. The combined capital of the village banks was 12,887,000 florins at the end of 1928, of which sum 9,063,000 was out in loans. In 1937 the figures were 9,000,000 and 3,500,000 florins. Since the term of loans is relatively short, the capital revolves rapidly. In 1929 nearly 50,000,000 florins was loaned out to over 1,200,000 persons. The average loan in 1928 was 14 florins in Java and 24 florins in the Outer Islands. The amount in arrears was only 0.4 per cent in Java but 4.4 per cent in the Outer Islands. The interest rates have been reduced from 10 to between 6 and 8 per cent, and on many loans are only 5 per cent. It was originally hoped that the village banks would develop a coöperative character, but this hope has not materialized. All efforts in this direction have failed. The people do not regard the banks as popular credit institutions in the sense of being of and by the people.²²

The Popular Credit Banks, also called divisional or regency banks, have for their object the promotion of popular welfare by providing opportunity for safe investment and the extension and improvement of industry through the extension of credit. Formally these banks are operated by societies possessing legal personality, but in fact they

²¹ *Encyclopaedie*, IV, 605 ff., Aanvullingen, pp 713 ff.

²² *Ibid*, Aanvullingen, p. 714.

are predominantly official institutions. The reorganization regulations of 1928 require that at least three members shall be Indonesians not in the Government service. All efforts to arouse the active interest of native individuals in these institutions have come to nought, and hence the development necessarily has gone in the direction of constantly greater official control. The Popular Credit Banks are conducted by an administrator, who since the reorganization in 1928 is appointed by, and subject to removal by, the Central Treasury. Within the limits of the statutes and regulations he is also subject to the directors of the bank.

Most of the loans run from 10 to 20 months. The 89 Popular Credit Banks had outstanding in loans about 75,000,000 florins in 1929, with about 960,000 borrowers, very nearly all of whom were Indonesian. The average loan was nearly 65 florins in Java as against 227 florins in the Outer Islands. Since 1921 vigorous efforts have been made to reduce the interest rates, which at that time were 18 per cent annually. This high rate was necessary at first because of heavy costs and to create assets. When the banks became larger and the assets greater, lowering of the interest rate became possible. Unfortunately the banks became less careful in placing their loans and more prodigal with their personnel, and all the advantages of their improved conditions did not go into the lowering of rates. However, the interest rates had been reduced by 3 to 6 per cent by 1929. The Popular Credit Banks also serve as intermediate banks; in fact 61 per cent of the deposits of these banks in Java in 1929 came from the village banks.

At the head of the Popular Credit System stands the Central Treasury (*Centraal Kas*) at Weltevreden, an institution with legal character, created by the Government and provided by it with a capital which has now reached 3,600,000 florins. This capital must be repaid to the Government out of profits, but only after a reserve of 1,250,000 florins has been built up. The Central Treasury is the central institution of the system and as such receives deposits from the divisional banks and assists needy banks. It exercises control and supervision over native commune credit institutions and the divisional banks.

Since the reorganization of 1928 the Central Treasury is under obligation to cover all deficits of divisional banks in the event of their liquidation. At the end of 1929 the Central Treasury had assets totaling 20,050,270 florins.

The results of the Popular Credit System have fallen much below early expectations. While the system is undoubtedly capable of much improvement, its meager results are largely due to the peculiarities of native society, according to an authority in this field:

Compared to the Western world, native society is static, the urge toward advancement and improvement of welfare which is accepted in the West as a matter of course is almost entirely lacking. The very small farming industries (and approximately 80 per cent of the population is engaged in agriculture) are directed at satisfying the needs of the family and consequently are operated on a rational basis in only a slight degree. The native is not yet capable of applied rational thinking. More than that, he is so tightly encompassed on all sides by the village society, an overpowering administration, the economically stronger Chinese, and the capital-power of the large cultures, that these external factors considerably strengthen his natural inclination to repose. Against that credit can do nothing.²²

With certain exceptions, especially in the Outer Islands, the Popular Credit System is not stimulating native production, but it does make the natives' struggle for existence easier. It also has great educational value in making him familiar with the use of money and with paying off loans out of income. The peasants do not yet save in money, and for that reason the popular credit institutions have acquired little significance as savings institutions. The system in general has been criticized on social-pedagogical grounds. The interest rates are too high, the credit is not sufficiently adapted to agricultural needs, and not sufficiently coöperative in nature.²³ The loan periods are too short and the sums too small.

Much more is now expected from the promotion of native coöperatives. The early leaders in the popular credit movement had hoped that the institutions erected under it would be led into predominantly coöperative channels. The system was deflected from this line of de-

²² *Ibid.*, Aanvullingen, p. 716

²³ See de Kat Angelino, *op. cit.*, II, 319-322.

velopment by pressure from the Netherlands. The crop failures of 1901 and 1902 led the Government to press measures which would show immediate results, and it was thought that the extension of cheap credit would have a speedy effect in raising native welfare. Hence the East Indian Government hastily erected small credit banks on a large scale. These banks were midway between "people's" banks and "popular" banks. The Government would facilitate the establishment of the banks, exercise control over them, and participate in the administration. Those interested would be urged to bring forth funds and thus acquire a share in the control of the enterprise. The Popular Credit System has failed to influence the productivity of native commerce and agriculture.

There are numerous reasons why coöperation did not take root in the East Indies.²⁴ At the beginning of the century the population was still little developed; in many sections money economy had not yet penetrated deeply, and because of the absence of good roads large areas had not yet been taken up in world economy. Credit coöperation presupposes a differentiated society. The East Indies lacks a native middle class, which constitutes the propelling power behind a coöperative movement. Nor has the individual been sufficiently liberated from the communal relationships to seek self-advancement along individualistic lines. The custom of procuring credit for consumptive purposes only is difficult to break down. And lastly, a suitable legal regulation for native coöperatives was lacking. The law of 1915 was unsuitable; a new law enacted in 1927 brought improvements in this respect. Other conditions have also changed in the last decade and native society is now about ready for a successful coöperative movement.

The law of 1915 regulating coöperatives was modeled after the Netherlands law, and was found to be unsuitable for Indonesian society. A Government commission was appointed in 1920 to investigate the possibilities of coöperation in the East Indies and the means necessary to promote it. Upon the basis of this report Professor Boeke,

²⁴ *Encyclopaedie*, Aanvullingen, pp 868 ff.

formerly adviser for the Popular Credit System and coöperation and chairman of the commission, drafted a bill which became the basis of the cooperative law for native societies. This law, passed in 1927, differs in several particulars from the law of 1915. The procedure for establishing the coöperative societies is very simple and inexpensive. The societies are Indonesian legal personalities, and hence may engage in all the legal transactions in which Indonesian natural persons may engage. They enjoy several financial privileges, especially with respect to stamp duties. On the other hand, for the protection of the members they are subject to sharp limitations and operate under careful supervision. The law is quite largely modeled after the British Indian law of 1912 governing coöperative societies. Indonesians not desiring to make use of this law may proceed under the old law of 1915, or under neither, as they see fit.

Ninety cooperative societies had been organized under the 1927 law by 1931. The majority of these were credit coöperatives. Consumers' coöperatives have been springing up in large numbers in urban centers. In Surabaya alone they number nearly 200. Many of them are short-lived, but others have been in existence for several years and are very successful. They are in no small degree tied up with the nationalist movement, as the leaders in the movement are the Indonesian clerks, officials, and employees in commerce and industry, among whom the nationalist feeling is strongest. A desire to free themselves from the economic domination of the Chinese is the stimulating motive behind the movement. Because they wish to remain free from governmental control, few are organized under the law or even register with the bureau of the adviser for coöperatives. Coöperation for production is only in its infancy.

A policy of active promotion was begun by the Government only after the passage of the 1927 law. A bureau with an expert adviser at its head carries on a campaign of propaganda and furnishes aid and advice to groups interested in forming coöperative societies. This policy was begun a little late, however, as quite a number of the nationalist societies have adopted a policy of noncoöperation. Practice has indi-

cated that certain modifications of the law of 1927 are desirable, in order that the societies may be freer from official supervision.²⁵

PUBLIC HEALTH

The problems of public health are great enough in any country, but in a tropical country with the masses still in a primitive stage of development these problems seem almost insuperable. The tremendous population of Java makes constant vigilance against epidemics doubly necessary. Since the number of private medical practitioners is necessarily small it becomes all the more necessary for the Government to maintain a large staff of doctors. The Government maintains a large corps of doctors, nurses, vaccinators, and other types of assistants. Many clinics are conducted throughout the country. Fortunately the Government receives some aid in this vast task from missions and private industry.

While mass inoculations and vaccinations have been successful in reducing deaths from epidemics, far more importance must in the long run be attached to positive measures. In this work the East Indian Public Health Service has achieved remarkable results through the use of ingenious methods.²⁶ The work of hygiene propaganda is entrusted to a separate department of the Public Health Service, called the Division of Public Health Education. The principle upon which the division works has been described by its directing genius, Dr. John Lee Hydrick, as follows:

The idea underlying the organization of this Division was the belief that if Publicity or Health Education could instill in the people an understanding of the fundamental rules of hygiene and a realization of the importance and necessity of healthful habits of life, many diseases and conditions might soon be brought under control and in time be eradicated.

²⁵ In addition to the article "Co-operative" in the *Encyclopaedie*, see de Kat Angelino, *op. cit.*, I, 400-431; II, 321-326; and Krafft, *Co-operative in Indie*.

²⁶ The unique educational program developed during the last eight years is largely the work of Dr. John Lee Hydrick, an American who was sent to the Dutch East Indies by the Rockefeller Foundation. His work was begun in close cooperation with the Public Health Service and has since been entirely taken over by it. This section is very largely based upon a pamphlet by Dr. Hydrick, *The Division of Public Health Education of the Public Health Service of the Netherlands East Indies*.

Also it seemed most probable that if the interest of the people could be awakened and held long enough to establish an understanding of these elementary rules, the carrying out of further health measures would be far less difficult since the coöperation of the people would then have been secured.

However, the teaching of even the most simple hygienic rules is not easy, because it means in most cases that people must be asked to make changes in their manner of living, and it is only too well known how extremely difficult is the task of bringing about a change in the habits of life. Also this teaching of hygiene must be planned to reach, after gradual extension, a population of about fifty million people. This great group is made up of many different peoples who speak many different dialects and have many different manners and customs. Therefore the methods and materials which are to be used in this health educational work must be carefully devised, accurately tested, and frequently revised²⁷

It was learned from experience that general hygiene could not be taught in the beginning, since it required the discussion of too many subjects at the same time. While the teaching of rules for the prevention of an acute disease receives a greater momentary interest, the educational effects are only temporary; for the moment the epidemic passes, interest wanes. For this reason the Division concentrated upon teaching the masses "the simple but fundamental facts concerning some widespread disease, the cause, treatment and prevention of which could be easily explained and demonstrated." It was found that the most common diseases were intestinal diseases such as typhoid fever, cholera, dysentery, and worm diseases, diseases which are spread by the insanitary disposal of human excrement. Of these diseases the worm diseases were most prevalent throughout the country, and also the easiest to demonstrate and explain. The dangers of soil and water pollution are brought home to the people and an interest in hygienic habits of life awakened. An effort is made always to combine treatment with educational work, for in that way only can permanent results be obtained. Coercion is useless; it merely stirs up the people to a passive resistance.

The Division of Public Health Education is attempting mass edu-

²⁷ *Ibid.*, pp 2-3

cation in the general principles of hygiene. It seeks to stir up an active interest by getting the people to do things themselves rather than having them done for them. The motion picture had been found to be one of the best mediums of instruction, for the people like the action and life. People will go again and again to see the same film, for it gives them a free moving picture show. In addition to the motion picture there are other special and public lectures. These are followed up by school lectures and demonstrations and house-to-house demonstrations by trained *mantris* or nurses. Great emphasis is placed upon health-education work in the schools.

In its war on the plague, emphasis has been placed upon the improvement of housing. In the plague centers of Java over a million new houses have been built at a cost of over 30,000,000 florins. The municipalities have also adopted a policy of the improvement of popular housing. Since this is also regarded as a general interest the Central Government supports the local government in this work. Corporations are formed for this purpose, three-fourths of the capital of which is subscribed by the Central Government and the other fourth by the municipality. The maximum dividend which the corporation may pay is 6 per cent. The housing corporations' building plans must be projected upon a basis of carrying their own costs.²⁸

The annual death rate in the East Indies is only 20 per 1000,²⁹ which is very low for an Eastern and especially for a tropical country. Fortunately only one-half of one per cent of the people of the country live in large cities. Without in any way detracting from the excellent public health service of the country, this low percentage of urban population may in considerable part explain the low death rate. The native death rate in the cities fluctuates between 25 and 40 per thousand. The European death rate in the three large cities of Batavia, Semarang, and Surabaya, from 1923 to 1927, was 10.5, 12.3, and 11.9 per

²⁸ Flieringa, *De zorg voor de volksbuisvesting in de stadsgemeenten in Nederlandsch Oost-Indië, in het bijzonder in Semarang*

²⁹ *Handbook of the Netherlands East Indies, 1930* This compares very favorably with a death rate of 30 per 1000 in India, 23 in the Philippines, and 32 for the Straits Settlements.

thousand, respectively. The expenditures of the Public Health Service increased from 3,500,000 florins in 1909 to about 17,000,000 florins in 1930.

THE OPIUM PROBLEM

The large Chinese population in the East Indies and the constant influx of Chinese immigrants make opium smoking a major problem of the East Indian Government. On the basis of Government statistics it has been estimated that in 1930 there were a total of 167,191 opium smokers in the country, and that of this number 80,762 were Chinese and the remainder Indonesians. An expert on the problem³⁰ concludes that this figure is much too low, probably by half. The Chinese, who constitute only one-fiftieth of the population, spend three times as much on opium as do the Indonesians, which means that the Chinese consume about 150 times as much opium per capita as the Indonesians. Until recently the problem was only one of smoking opium, but now the "drug" problem has made its appearance.

During the 19th century the sale of opium was farmed out by the Government. This system was found highly unsatisfactory. The objections to the system led in 1894 to an experiment in Madura of Government monopoly, and a Government opium factory was started in Batavia. From Madura the system was gradually extended; by 1904 all Java had been placed under the new system, and by 1920 the system had been extended to all parts of the country. The system of Government monopoly as it has been developed is flexible and takes into account the diverse conditions in the different islands. There are first of all areas where the vice never took root and where there are few Chinese. Here the sale of opium is altogether prohibited. The prohibited areas contain about one-fifth of the population. As soon as an area becomes free of addicts it is made a prohibited area. Other areas, principally a few of the larger cities, are known as "free." Here the Chinese and Indonesians may purchase and possess opium—up to a certain amount at a time—and a record is kept of each purchase.

³⁰ Dr A. de Mol van Otterloo, "Het opiumschiiven als vraagstuk in Nederlandsch-Indie," *Indisch Genootschap*, 1931, pp. 145 ff.

The "free" areas embrace about one-twentieth of the population. Between these two types of areas are the areas under what is known as the "perfect license" system and the "imperfect license" system. Under the first, sales are permitted only to registered license holders, with no new names added to the list.⁸¹ Under the second, there is also registration and rationing, but new names may be added to the list, which generally involves immigrant addicts and those moving from one area to another. A population of about 20,000,000 live within each of the latter two types of areas. The sale of derivatives or drugs except for medicinal purposes is prohibited.

The whole system stands under the "Opium Administration." There are altogether 1051 shops where opium is sold and 49 licensed "divans," or places where opium is used. The consumer brings his own opium to the "divan," as it may not be sold there. The only profit the divan keeper receives comes from the coffee he sells to smokers, rent from the use of pipes, and the dross left in the pipes. The dross, which contains a considerable amount of morphine, is sold to the opium factory. The Opium Administration has a difficult task. Its functions are threefold. It is meant to serve as a means of restricting the opium evil; as a sales organization, the profits of which go to the enrichment of the public treasury; and as a monopoly, which must guard against loss of income through smuggling. All authorities on the problem are not agreed that measures used by the administration for the purpose of restriction have been successful. Apparently there are many clandestine divans in the "license" areas and many smokers not in the possession of a "license."⁸² As a Government industry the Opium Administration has served well, though the high prices which are asked for opium, with the object of restricting its use, put a premium upon smuggling. However, the Opium Administration yielded a net profit of 27,000,000 florins in 1930, or about 5 per cent of the total revenue of the Central Government for that year.

⁸¹ There were originally nine European registered smokers, of whom there are still five.

⁸² De Mol van Otterloo, *op. cit.*, p. 157.

Mr. Herbert L. May, who a few years ago made a survey of opium-smoking conditions in the Far East and who is now a member of the League of Nations Permanent Central Opium Board, gives the following estimate and criticisms of the Dutch East Indian system:

Considering all the methods of control preparatory to prohibition, I should say that the Dutch system in the East Indies is at the head of the list for efficiency, practicability, and flexibility. It is not as complicated as it seems on paper, and it allows properly for all sorts of varying conditions. Existing government prices most everywhere, however, are too high, especially in the Netherlands Indies. Not only do they induce smuggling but they constitute a high penalty against the man who obeys the law by buying government opium and a high reward for the one who buys smuggled opium at the much lower price. Divans (public smoking establishments) apparently have a social feature which makes smoking more attractive. Therefore, since the object is to reduce or stamp out the vice, divans should not be permitted.³³

Mr. May concluded that the improved form of government monopoly, accompanied by world drug control, is the only reasonable way of handling the problem of opium smoking today.³⁴ Prohibition he regarded as for the present unworkable and a source of corruption. These are in substance also the conclusions of the League of Nations Commission of Inquiry into Opium Smoking in the Far East, whose report appeared in January, 1931.

So long as the East Indies receives new Chinese opium-smoking immigrants and China³⁵ does not actually prohibit the production of opium, introduction of prohibition would be futile. Opium, and especially the derivatives, can too easily be smuggled into the country. Smuggling is especially difficult to combat in a country like the East Indies, which is composed actually of thousands of islands. Now that

³³ *Survey of Opium Smoking Conditions in the Far East*, p. 12, published by the Foreign Policy Association.

³⁴ With respect to the Philippines, May states the following: "It is not difficult after an unofficial investigation of opium and smuggling in the Philippine Islands to understand why the United States is somewhat under suspicion internationally for failing to produce Philippine opium statistics. Illegal opium is coming into the Islands in such quantities as to make smoking opium procurable freely at very low prices, but lack of reliable figures on the number of Chinese in the Islands makes any estimate of the extent of opium smoking difficult." *Op cit.*, p. 15.

³⁵ Also other countries like Persia and Turkey.

a plan for the international control of the manufacture of drugs has been agreed upon, the threat of the drug menace should be greatly lessened. The East Indian Government may be fairly criticized for not using more of the profits from the opium monopoly for the purpose of combating the evil by positive methods. It subsidizes in small amounts two antiopium societies, one of which maintains a hospital for opium addicts. Unfortunately the Chinese community, whose problem it is in a peculiar sense, has given little actual aid in combating the evil. But sentiment against the evil is growing in all the communities—European, Chinese, and Indonesian.*

LABOR LEGISLATION

In a country like the East Indies the protection of labor takes quite different forms from that in the West. Since industrialization is only in its infancy the problem of protecting the industrial worker is not yet acute. The chief problem comes from quite a different source. Western capital cannot exploit the backward regions without an assured labor supply, and since the indigenous labor supply is either inadequate, as in sparsely settled areas, or little disposed to regular labor, governmental intervention is sought. The Government, pressed to carry on a liberal policy by home and world public opinion, can hardly resist this call. Welfare measures cost money and, since native economy has so little productive power, the Government is largely dependent upon the European industries for the revenue needed to support a liberal welfare policy.

With the abolition of slavery and debt serfdom in the middle of the last century other methods of securing a dependable labor supply had to be resorted to. A regulation of 1838 had permitted collective labor agreements with village chiefs, but this system, which placed at the disposal of the employer all the sanctions of customary law, led to serious abuses and was abolished in 1863. Individual labor agreements were again introduced, but complaints about the uncertainty

* The Netherlands Government announced, on November 10, 1943, that the use of opium for smoking would be suppressed throughout the entire area of the East Indies. It is planned to abolish the opium monopoly

and irregularity of the laborers soon became numerous. With the abolition of state exploitation in 1870 and the opening of the country to Western private exploitation, the demand for sanctions against the violation of labor contracts became more insistent. A general police regulation of 1872 supplied the required sanction. Indonesians breaking a labor contract were subjected to punishment of fine or imprisonment. When the States General heard of this regulation it immediately demanded its repeal, even though the East Indian Government pleaded for retention on the ground that it was necessary for the security of business enterprises employing native labor. By a resolution passed in 1877 Parliament insisted upon the withdrawal of the police regulation, but indicated that it would accept regulations mutually protecting employers and workers should the latter be imported from other sections or other countries.⁸⁸

As a result of this resolution the coolie ordinance of 1880 was passed. The ordinance therefore has its origin in the peculiar distribution of population in the East Indies. The Dutch Parliament would permit labor contracts with penal sanction only as an exception in districts where labor had to be imported. The labor contract with penal sanction was devised to furnish an adequate and certain labor supply for the development of the sparsely peopled Outer Islands as well as to protect the imported coolie laborer. With the rapid growth of the population of Java relief to the population pressure of that island has become an important factor in the policy. Unlike the one-sided regulation of 1872 the new ordinance made the sanction applicable to both parties. This ordinance, applicable only to the East Coast of Sumatra, contained a model agreement and register for these contracts. This model agreement, subsequently enlarged and improved, was later incorporated in similar ordinances for other districts. The conditions under which the Sumatra East Coast ordinance emerged ought not be lost sight of. They clearly prove that the object was primarily to protect the coolie against being capriciously turned loose

⁸⁸ It should not be overlooked that the prohibition of alienation of land except to natives is itself a great protection to native labor

far away from home and friends and in an inhospitable region.²⁷ Under these ordinances about 450,000 laborers had been brought into various sections of the Outer Islands and were there in 1930. Of these, 80,000 were Chinese; the rest were Javanese. The Government itself employed contract laborers in its tin mines. About 260,000 of the contract laborers were found in the East Coast of Sumatra, the great center of Western agricultural enterprises.

The obligations and rights of both parties must meet the requirements laid down by the coolie ordinances and must be drawn up in a contract which is invalid unless registered with the Government. The employer must pay wages regularly, provide proper housing, make proper food available, provide hospitals and free medical care, provide good drinking water, and give free transportation home after the expiration of the contract. For violation of contract, both parties are subject to punishment, either imprisonment or fines, but since the coolie has no money it generally means imprisonment for him. In addition, the contract coolie is forced to go back to the plantation from which he deserts to complete the term of his contract, which is generally two or three years. This use of governmental machinery to force a coolie to return to finish his contract against his wishes is undoubtedly the worst feature of the contract. It has been suggested that it would be better to punish a deserter more severely and then release him altogether from the contract.²⁸

The term "indentured labor" is bitterly resented by the defenders of the system of the labor contract with penal sanction, and yet it is this aspect of it that is most frequently emphasized by them. The costs of recruiting and transporting average about 100 florins for an unmarried man and about 150 florins for a family. The imported coolie is unprofitable during the first few months of the contract period; he must become acclimated and accustomed to his work. The employer insists that he must have the assurance that these expenditures can

²⁷ See de Kat Angelino, *op. cit.*, II, 492 ff.

²⁸ For a detailed history and discussion of labor laws see Boeijsing, *Arbeidswetgeving in Nederlandsch-Indië*.

be recovered, and the tobacco planter demands in addition a guarantee that the coolies will not abandon work in the midst of harvesting a perishable crop. The shortage of laborers in these districts would make it impossible to obtain substitute laborers in time to save the crop.

The defenders of the penal sanction have made out an elaborate case for the system. Without it, they contend, the Outer Islands could not be developed, as this is the only way Western enterprises can obtain a sufficient and regular labor supply. The system has brought about the development of a gigantic industry and its immediate abolition would bring about the industry's ruin and have a fatal influence on the development of the whole East Indies. The coolies come from the worst of their people and can be educated to regular work only by means of the penal sanction. Living conditions among the contract coolies are far better than among any other element of the native population; the coolies are well housed, well fed, have better medical attention, and a lower death rate prevails among them. Indeed the death rate has been lowered until it is now less than 7 per 1000. The contract coolies receive a greater measure of protection than other native laborers, for the contract coolie ordinances call for an elaborate government labor inspection. This special protection would fall with the abolition of the penal sanction. The employers, eager to win public opinion for the system, have exceeded even the high standards set by the coolie ordinances. Some plantations have provided exceptionally fine schools for the children of their coolies, and a few have instituted sickness and retirement pensions. The very large number of coolies who enter freely into reëngagement contracts is further evidence that the system works well. Moreover, so the defenders of the system contend, it is utterly wrong to brand the labor contract with penal sanction as forced labor; it merely calls for the compulsory execution of a contract freely entered into.³⁰

³⁰ For a fair treatment of the system see van Blankenstein, *De poenale sanctie in de practijk*. The number of convictions for breach of contracts is less than 5 per cent of the total number of workers under the contract with penal sanction.

While all this is true, the system has more opponents than defenders. The Western world, and also the Westernized leaders of the Eastern world, no longer look with favor upon relations of this sort. Practically, contract coolies may be better off than other coolies; the world is inclined to look only at what it regards as the unequal relationship. There are also practical difficulties. Abuses have occurred in recruiting; immoral practices such as the use of opium, alcohol, prostitution, and misrepresentation have been employed in spite of the Government's careful supervision. Formerly, recruiting was carried on by professional recruiters, but this method necessarily led to abuse. Recruiting directly by the enterprises themselves is now in general use. A labor-inspection service, to be adequate, requires a very large number of inspectors and men carefully selected and trained for their work. Though the Government strives to attain these high standards they are difficult to obtain under the best of conditions and are seldom reached in practice. The numerous occurrences of violence on the contract coolie plantations point to some of the weaknesses of the system. The frequent attacks of coolies on the *mandoers* and European assistants occur as retaliation for abusive treatment or failure to understand native psychology. The new contract coolie, unused to regular and systematic labor, undergoes a psychological crisis in the first few months of his service, and he is then difficult to handle. The great disproportion between men and women and the absence of family life for thousands of coolies brings with it most of the evils inherent in a faulty social structure. The objection is also expressed that since the contract coolies are recruited only from the Javanese and Chinese the system creates racial hatred and may ultimately endanger international relations, for Chinese national pride will finally lead the Chinese Government to intervene.

The principal objection to the labor contract with penal sanction is, of course, the fact that it inevitably places the worker in a very inferior position with respect to the employer and his personnel. It is only natural that this power should be abused. Many abuses are reported every year to the labor inspectors, and not all the abuses come

to light, since intimidation is resorted to. There is constant wrangling between the planters and the Labor Office over the manner of inspection. The planters hold as grievances the fact that the inspectors come without giving the planters previous notice, that they place themselves in direct contact with the coolies, and that they allow the coolies to state their grievances without the presence of the native and Chinese *mandoers* or European assistants. Relations between the planters and the inspectors became so bad in 1930 that the Labor Office was compelled to make concessions in the manner of inspection. It was announced that reputable plantations would receive twenty-four hours' notice, but should there be suspicion, rumor, or complaint with respect to any plantation the inspectors would come unannounced. To protect the coolies against arbitrary treatment the Government felt it necessary to enact legislation protecting the European assistants against the caprices of the planters. The assistants were without rights, they could be discharged at any time, could not marry until they had reached a certain salary level, and generally stood in complete subordination to the planters.

The planters were strongly organized and resisted the Government as a solid economic unit. The East Indian Government was in a difficult position, since on the one hand it was so dependent upon the increased public revenues which flowed from the European industries, and on the other hand public opinion was overwhelming in its demand that the sanction be abolished within the course of the next decade. The European industries are naturally loath to support the Government in policies which increase both their production costs and their taxes. This fundamental conflict of interest ran through the whole problem of the penal sanction. The planters admit that the penal sanction could be justified only as an exceptional regulation made necessary by exceptional conditions. Now, an exceptional regulation cannot be maintained or justified as a long-term policy. The European cultures had been on Sumatra's East Coast since 1870, and yet during all this time the European industries did little or nothing to remove the exceptional condition of an inadequate supply of native

laborers. In 1931 only about 25 per cent of the imported laborers were free or noncontract laborers. Early colonization of Javanese would certainly have done much to solve the problem.

But there are reasons for believing that the planters were not wholly sincere in desiring an adequate supply of free native laborers. In the first place, Javanese colonists with their own little farms to till might not be very regular workers. Secondly, the long labor contract with penal sanction afforded the planters a cheap source of labor. It is true that the costs of contract labor on Sumatra's East Coast are about 70 per cent higher than that of free labor on Java, but because of the overpopulation of Java wages are very low there, while they are very high in Sumatra because of the labor shortage. The coolie recruited in Java is unaware of the high wages in Sumatra and contracts for a wage which is high only as compared to conditions in Java. The system creates a closed labor market to the advantage of the employer. And lastly, the European planters had reason to oppose bringing an adequate supply of free laborers to Sumatra in the form of colonists because it would ultimately destroy their own industries. One of the fundamental policies of the Netherlands Indian Government is the prohibition of the alienation of the land to non-natives, and the preservation of the use of the land for the natives. The planters of Sumatra hold their land in long-time leases from the Government, but the Government grants such leases only on wild lands not yet needed for native agriculture. Colonization sufficient to produce a cheap labor supply would also automatically produce a situation under which the Government could not release the land to the planters. Some of the earlier leases will soon expire and already the natives are clamoring for the lands.

The labor contract with penal sanction was long a burning issue in Dutch politics. In 1902 a Dutch lawyer in the East Coast of Sumatra published a series of shocking revelations of conditions prevailing upon the plantations employing contract coolies.⁴⁰ Several improvements were at once made, including a special inspection of

⁴⁰ Van den Brand, *De miljoenen uit Deli*.

labor service. Mr. Idenburg, the Minister of Colonies at the time, wished to see the penal clauses gradually suppressed. The controversy was really never ended, but a sort of truce was signed in 1924 when the Dutch Parliament declared that the contract with sanction "cannot be done away with in the interest of the State, as long as local circumstances do not make superfluous a sanction stronger than a merely civil one." While the system was accepted as necessary for some further time it was understood that it must go as soon as possible. A periodical revision of the ordinances would be made every five years, beginning with 1930.

In the meanwhile two events occurred outside of the Netherlands and the East Indies which brought the whole issue again to a head. One was the action of the International Labor Office in placing the labor contract with penal sanction on the agenda of the Conference. The other was the Blaine amendment to the United States Tariff Law of 1930, prohibiting the entrance of the products of convict, forced, or indentured labor under penal sanctions unless such products could not be produced in the United States in quantities sufficient to meet American needs.⁴¹ Tobacco is apparently the only East Indian product affected by the amendment. To make sure that Sumatran tobacco would not be denied entrance into the United States under this clause, the tobacco plantations in 1931 gave up their right under the penal sanction clause of the contracts, and henceforth will employ none but free laborers. This action was made possible without injurious consequences, for the reason that the economic depression had turned the East Coast of Sumatra from a region with a labor deficit to a region with a great surplus of laborers. Thousands of coolies were sent back to Java. This surplus of laborers changed the whole face of the problem. The free coolies and those whose contracts expired were permitted to return to Java.

The ordinance passed in 1931 replaced the various coolie ordinances which had been promulgated separately from time to time in fifteen

⁴¹ The clause as first formulated would have excluded all goods produced by such labor, but when it became clear how many essentially necessary goods would be kept out this phraseology was changed.

different districts in the Outer Islands between 1880 and 1930. A few important changes were made in the ordinance which previously obtained for the East Coast of Sumatra; and these were extended to all the Outer Islands. On plantations and in industries which had begun the use of contract coolies before 1922 the number of free coolies employed had to be 50 per cent by 1935, and other plantations were required to reach this percentage soon after. The maximum term for immigration contracts remained three years, but reengagement contracts could run for only one year, a term which could be extended to fifteen months in the tobacco industry. Violation of contract was punishable only for coolies with a first contract, though desertions remained punishable for all contract coolies. A new minimum wage prescription was inserted, to the effect that a decent wage must comprise an amount for the daily necessities plus 15 per cent for special needs. Another ordinance promulgated in 1936 provides for the complete disappearance of the penal system by 1946. Already the number of laborers under contract with penal sanction has been reduced to a small number. Of the contract laborers only about 5 per cent are employed under penal contract, the remainder being employed under free contract. The use of the penal contract was abandoned by the Government in the tin mines of Banka and Billiton on January 1, 1940. It is now pretty well demonstrated that the labor contract with penal sanction is no longer necessary.

The Dutch East Indian Government also permits recruiting of Javanese for labor in foreign countries. Javanese contract coolies have gone to Surinam, Malaya, British North Borneo, Indo-China, and New Caledonia. The East Indian Government reserves the right to send its own inspectors to these countries to observe the conditions under which its coolies work.

Chapter XVII

TAXATION AND FINANCE

HEERENDIENSTEN, the East Indian official term for forced labor, are compulsory services or labor taxes which the Indies Government and the Native States impose for the construction and maintenance of public works, most generally roads, with or without payment. The autonomous communes or villages also generally require personal services of their inhabitants for maintaining the village roads and market places, policing, and certain personal services to the chiefs. This all rests upon the local customary law, subject to the supervision of the administrative corps, for the prevention of abuses. Throughout the East Indies forced labor may be demanded to repair devastations by nature and to ward off general danger, but resort to it for these purposes rarely takes place. Forced labor was practically abolished in Java, exclusive of the Native States, some years ago. It may be imposed only for aid to marching troops, for warding off danger from pests, and for irrigation work. These services, however, are seldom demanded, and when demanded are paid for at the customary local coolie wage.

TAXATION IN PERSONAL SERVICES

The obligation of forced labor rests on all able-bodied men up to fifty years of age. In most sections the obligation can be bought off for a sum fixed by the regional government, and everywhere substitutes may be hired. Non-natives, government officials, retired officials, teachers, house servants, laborers on plantations or in industries, and students at government schools are exempt from the obligation. The work is done under the supervision of native heads, near the workers' homes, and upon public works of local value. Of a population in the East Indies of over 65,000,000, about 16,000,000 live in jurisdictions where the *heerendienst* system still prevails, but many of those who are subject to the obligation may choose between the

labor tax or the converted money tax. Over a third actually choose the money tax. In 1937, the last year for which complete figures are available, the total number of persons liable to *heerendiensten* was 3,150,000; the number of those who paid the money tax was 614,000; the maximum number of days of labor per person that could be demanded varied in the different districts from 12 to 30, though the average number of days actually demanded was about 20.

Heerendienst is an institution which has come down from the old native governments, and has been continued largely because of the peculiar conditions of native society in the isolated districts, where a closed production system still prevails. Nature is bountiful, the climate is warm and enervating, the people have few wants, and the family, tribal, and village communal relationship gives a fair assurance of being supplied with the necessities even in sickness and old age. Money economy has not yet penetrated some of the more backward regions, and, as with all primitive peoples, there is a marked preference for present as against future goods. Physical labor other than agricultural work is regarded as socially less valuable, if not degrading. Hence it is impossible in these districts to obtain a sufficient supply of voluntary wage labor for public works. The immediate introduction of money taxes would force the primitive society in the direction of a money economy faster than the social and economic structure is prepared to move, and seriously unbalance it. A premature introduction of the money tax would force the natives to acquire the money with which to pay off the tax by any means at hand, and might even play into the hands of exploiters. Money taxes presuppose an exchange economy with its division of labor.

Some odd and unexpected developments sometimes take place in regions which have shifted from production to exchange economy, as a result of the roads constructed and maintained by forced labor, and are now producing for the world market. The problem of an adequate free labor supply is not always solved even then. In Sumatra and Borneo many of these communities went in heavily for rubber production and did exceptionally well during the era of high

rubber prices. But so strong is the native's dislike of becoming a coolie that the labor necessary to supply the needs of the expanded native cultures could be obtained only on the basis of partnerships and share production. In order to obtain labor sufficient to keep the roads in repair the regional government had to set a prohibitively high sum for which the labor tax could be converted into a money tax, for in these regions it was not money but labor which was still unobtainable.

The immediate abolition of forced labor would not be an unmixed blessing for all sections of the islands. The social welfare and economic development of large sections in the interior of Borneo and Celebes, for instance, would be retarded, since an extensive system of roads is necessary for the opening of this country. Without forced labor the construction of these roads may have to wait indefinitely. Moreover, the opening of the community by the construction of roads raises it to a higher economic level, and brings that much nearer the time when *heerendiensten* may be removed. It may in truth be said that, when properly regulated, forced labor automatically brings about its own abolition.

The system is disappearing, though probably too slowly, for it has certain features not easily defended. Only natives of the district are subject to it. In far-outlying districts where the whole population is indigenous this is no objection, for there the total advantages go to the local natives. But in other sections where there are extensive European industries the Europeans, the Chinese middlemen, and the imported Chinese and Javanese coolies receive most of the advantages from the roads and yet are exempt from the labor tax which constructs and maintains them. The exemption of outsiders is grossly unfair and cuts the natives deeply. Usually, too, the tax is exorbitant and sharply regressive. The maximum obligations vary from district to district, but in some districts are as high as thirty-five days. When to this are added the services which the communes and native heads may and do impose, the total may reach as much as fifty days, though this is rather unusual. Not so many years ago, however, three months were demanded in certain sections of Sumatra. Under such conditions the

poorest element in the population pays a very large percentage of its only resource, labor, in taxes.

Forced labor is generally hated by the people. Everybody who possibly can buys off. It is even said that many families migrate to other districts to escape the labor tax. It is the cause of much political dissatisfaction, and the nationalists are not losing the opportunity of making propaganda out of it. The Sarekat Islam Party organized a mass action against the *heerendiensten* in 1931, when local branches of the party held meetings at the same hour and on the same day and all adopted the same resolution against forced labor. The personality behind the demonstration was Hadji A. Salim, the East Indies labor representative at the 1929 and 1930 International Labor Conferences. It gives colonial administration a stigma, for the term forced labor sounds worse than it actually is. Nor is it economical; the Government figures a day's forced labor at two-thirds of a day of coolie labor.

The East Indian Government has taken various steps toward limiting *heerendiensten*. There is a periodic regional revision of the regulations every five years, limiting the number of days and the kind of work for which it may be demanded. The Central Government is constantly setting aside increased road funds. As quickly as it thinks conditions permit, the regional governments introduce the alternative of a money tax or convert the forced labor obligations into a general head tax. This was done in Java many years ago, and even the substituted head tax was abolished in 1927, with an annual loss of revenue to the Government of 12,000,000 florins. Certain regional governments have instituted a progressive road tax, payable by all residents. But the Government feels that forced labor cannot yet be discarded in districts where it is still impossible to obtain voluntary wage laborers in sufficient numbers, or where money economy is yet lacking.

It was possible to abolish the system in Java for the reason that that island had long been intensely colonized by Europeans, with the resultant shift from production to an exchange economy throughout the island. Moreover, Java is seriously overpopulated so that there is an abundant offering of cheap labor. According to semiofficial sources

the Government once formulated a plan of getting rid of the forced labor system in the Outer Islands by colonizing Javanese families along the roads in districts where *beerendiensten* still obtain. The Javanese would be planted along the roads on small parcels of land and would be charged with keeping the roads in repair, their wages to come from the commuted labor tax. This plan would both solve the forced labor problem and help relieve the overpopulation of Java, one of the most difficult problems with which the East Indian Government has to deal. In 1941, *beerendiensten* in the Outer Islands were commuted to a money road tax.

A problem in some respects unlike and yet closely akin to that of forced labor for public purposes is the problem of forced labor on the so-called private landed estates. The East Indian Company and succeeding administrations sold large tracts of land to private individuals, giving the purchasers feudal rights against the occupiers of the soil. The rights and duties of the landowners and the occupiers are carefully prescribed by law, but many abuses occur in practice.¹ Landowners generally demand the full fifty-two days of labor to which they are entitled by law. Occupiers can purchase freedom from their labor obligation, but at a price which frequently amounts to a month's income. Under the law, persons between the ages of sixteen and fifty are under the obligation to work for the owner, but not infrequently labor is demanded of those over fifty. The law grants relief from the obligation to work in case of illness, but often the occupier is compelled to make up lost days since it is not always possible to prove sickness. The landowner must furnish the food, but the food furnished is sometimes very poor. The most rigid labor inspection could not prevent abuses under a system such as this. It has been suggested that these services violate Article 5 of the 1926 Slavery Convention, which only permits such services for public purposes, and only temporarily for other purposes and upon a fair remuneration, but this is undoubtedly a mistaken view, for the occupiers have the use of the land in return for services to the landowners.

¹ See Mossel, "Een dringende maatregel," *Koloniale Studiën*, XIII, Pt. 2, 24 ff.

These feudal estates, found mostly in West Java, still cover an area of nearly 900,000 acres, with about 200,000 occupiers. The Government has for the last two decades addressed itself to the task of abolishing these survivals of feudalism by buying off the rights of the owners. Under a law of 1910 the owners may be expropriated by judicial process, but the method generally followed is purchase through agreement. The Government has spent 85,000,000 florins for such repurchase and the municipal governments of Batavia and Meester Cornelius have also spent about 4,000,000 florins in freeing estates lying within their jurisdictions. The Government for a time appropriated about 4,000,000 florins annually for the liberation of these domains, and even at this rate it would have taken many years before all the estates would have been freed. For several years in the mid-thirties no appropriations were made for this purpose.

Except for minor matters the Dutch East Indian legislation meets all the standards set by the Convention on Forced Labor adopted by the International Labor Conference of 1930. The convention sets the age limit for forced labor at 45, whereas the East Indian regulations demand forced labor of able-bodied males up to 50 years of age. The *beerendiensten* on the private estates, however, run counter to the prescriptions of the convention, since it permits forced labor for public purposes only. This fact would have spurred the East Indian Government to hasten the repurchase of the feudal rights, but unfortunately the depression and the resultant fiscal difficulties make this difficult if not impossible.

REVENUES

Table 10 gives a survey of the various sources of income of the East Indian Government over the course of a number of years before the depression.

Table 11 (p. 300) indicates changes in sources of revenue caused by the depression.

The preliminary figures for 1938 and 1939 indicate revenue receipts of 376,400,000 and 374,500,000 florins, respectively. There was a small budgetary surplus in 1938, but a deficit on the ordinary service

of about 25,000,000 florins in 1939. This was not due to the fall in income, which was slight, but to the increased expenditures for armaments.

In 1928, when the country was still enjoying great prosperity, import duties yielded the largest return of any of the various taxes, namely, 87,560,000 florins. The rates were purely fiscal, averaging from 6 to 12 per cent ad valorem. Owing to the urgent need for more

TABLE 10
SOURCES OF INCOME OF THE EAST INDIAN GOVERNMENT, 1925-1929
(In thousands of florins)

Receipts	1925	1926	1927	1928	1929*
Taxes	341,559	344,077	322,109	361,215	325,926
Surplus from monopolies	55,500	53,634	51,388	51,423	49,289
Surplus from products.	69,301	73,893	80,026	62,562	55,395
Surplus from industries	39,476	39,545	42,241	50,543	46,823
Miscellaneous sources	17,755	21,372	16,644	18,627	16,724
Total.. ..	523,591	532,521	512,408	544,370	494,157

* Figures for 1929 are provisional
From *Statistisch jaaroverzicht*, 1928, pp 396 ff.

revenue, these rates were increased in the early years of the depression. In 1935 excise taxes for the first time surpassed import duties as a source of revenue and this category of taxes has since retained this lead. In 1938 the two classes of taxes yielded 50 and 64 million florins, respectively. The second highest producer in 1928 was the income tax, which in that year brought in a revenue of 52 million florins. This tax, however, suffered a rapid decline during the depression, falling to less than 24 million in 1936, but it recovered to 40 million in 1939. As a revenue producer it held fourth place in 1938. Before 1920 the income tax applied only to Europeans and corporations, Indonesians and nonindigenous Asiatics paying occupational and other taxes instead. However, in this year this tax was unified, that is, extended to all racial groups, and a progressive corporation excess profits tax added. The corporation tax in 1928 yielded the treasury not less than

59,278,000 florins and in 1926 nearly 72,000,000 florins. This tax naturally suffered badly during the depression. Its yield dropped to less than 8,000,000 florins in 1934 and 1935, and rose again to 42,500,000 florins in 1938. There was much ado about taxation from 1920 to 1925. The Entrepreneurs' Council, through its chairman, Professor Treub, demanded a reduction of the taxes paid by the corporations. Treub contended that there was too much progressive taxation,

TABLE 11
SOURCES OF REVENUE AS AFFECTED BY THE DEPRESSION
(In millions of florins)

Receipts	1932	1933	1934	1935	1936	1937
Taxes	228 2	207 8	210 2	204 7	214 6	284 8
Government industries .	54 7	65 7	66 3	67 1	68 4	87 5
Miscellaneous sources .	17 4	17 2	18 3	18 7	25 0	30 0
Total.	300 3	290 7	294 8	290 5	308 0	402 3

From *Indisch Verslag*, 1938, I, 31. The Department of Finances regrouped the sources of income in 1930; hence tables 10 and 11 are not exactly parallel

which had the effect of undermining initiative, of hindering the formation of capital, and of driving Western enterprises from the East Indies to British Malaya, Borneo, and Indo-China. In 1925 the Government consolidated the income taxes, profits tax, and surplus profits tax into a single nonprogressive profits tax for corporations of 10 per cent,² and relieved them from the income and certain export taxes.³ A Government commission, appointed in 1922 for the purpose of making a study of the taxes bearing on corporations, recommended that all the ordinary and extraordinary taxes on corporations be replaced by a single progressive profits tax varying from 5 to 30 per cent. The commission pointed out that in an economically dependent country like the Dutch East Indies the proceeds of modern industry must be

² Plus 20 per cent of the tax itself. Thus a \$100,000 corporation profit would pay \$10,000 plus \$2000 or a total tax of \$12,000.

³ Export taxes had been levied on oil, copra, rubber, and quinine, but were abolished in 1924

taxed at its source because the stockholders of corporations do not live there. In advanced countries the stockholders are really taxed twice, once as stockholders under the corporation taxes and once as individuals under the income tax. A higher corporation profits tax was therefore justifiable.⁴ The Entrepreneurs' Council opposed not only the progressive feature, but also the taxation of the whole profit. It desired a tax merely on dividends. The council won its first demand and lost the second. The interests of the metropolitan country and the colony may easily conflict over taxes of this nature, for the more the colonial government taxes these sources the less there remains for the metropolitan country to tax.

The income tax as of 1932 began with a tax of 1 per cent on incomes of 120 florins and progressed to 30 per cent on incomes of 200,000 florins. A tax on incomes as low as 120 florins a year has many administrative disadvantages. Not only are such small incomes difficult to assess, but the cost of gathering the tax very nearly consumes the proceeds. It is practically impossible to collect the taxes on the smaller incomes in the larger cities. In the rural districts the total income of the village is roughly estimated and the village chief told to bring in so much in taxes. He knows the income of the families and apportions the tax accordingly. For a number of years there was much discussion about the desirability of raising the minimum, and in 1935 it was raised to 800 florins. However, a new tax on wages was introduced which in 1939 yielded 25,000,000 florins. Assessments of incomes below 1200 florins are made by the administrative corps, and incomes above this sum are assessed by the Inspection of Finances.

An important tax in Java is the so-called land rent, which in 1928 yielded 36,543,000 florins of revenue. This tax did not decline greatly during the depression. It yielded 22,500,000 florins in 1937 and in 1938, 24,000,000. The term "land rent" was introduced by Raffles, who conceived of the sovereign as sole owner of the soil and all occupiers as tenants of the Central Government. The tax is now levied in Java,

⁴ See *Eerste verslag van de commissie tot herziening van het belastingstelsel in Nederlandsch-Indië*, 1922.

outside of the Javanese states and the private estates, and in parts of the Outer Islands. The land rent is based upon a fixed "taxable yield" for each piece of ground—an amount representing an average below the total yield, and as a result sometimes higher and sometimes lower than the net yield. The fixing of this average follows a very complicated system marked by two chief characteristics: the grouping and classification is done by the people themselves, and the estimating of this average centers about the rice culture, which has been carried on for centuries with a good deal of stability. The advantages of a land tax in a country predominantly agricultural like the East Indies are obvious. As East Indian agriculture becomes more differentiated the average net yield will not serve as well as formerly as a means of assessment. It is also in a sense inadequate because it does not sufficiently fluctuate with the value of land.⁵

Export duties are levied upon a few articles, namely, copra, hides, palm oil, pepper, tobacco not prepared for the native market, tin, and birds' nests. The export duties have been justified upon the grounds that this is about the only effective way of taxing the natives in the Outer Territories, many of whom escape the income tax. Export taxes produced 38,000,000 florins in 1937. A peculiar tax, and one which proved embarrassing to the Government, was the special export tax on native rubber. In a period when the Government was straining for every possible source of revenue, this special temporary tax was producing with embarrassing abundance, yet its proceeds could not be used for general purposes. The East Indies Government was one of the governments which in 1934 joined in setting up a scheme for the restriction of the production of rubber. It was relatively simple to get the Western rubber plantations to reduce their production on exports, as this could be done by an individual license system, but this system could not at once be extended to the thousands of small native producers. As a temporary device the export tax on rubber was adopted. The tax had to be raised again and again before the native production

⁵ Meyer Ranneft en Huender, *Onderzoek naar den belastingdruk op de inlandsche bevolking*, pp. 30-51.

was finally brought down to the quota set for it. The tax, which was in force for about three years, produced 84,000,000 florins before the individual license system was finally put into effect in January, 1937. To make this special tax less objectionable the Government declared that it would use the proceeds from it for public works in the districts producing native rubber. The Government had more money than it could effectively spend in the native rubber-producing regions.

It will be noticed that a considerable share of the total tax revenues comes from indirect taxes. This form of taxation has great advantages in a backward country, as primitive people have little understanding of the necessity and value of taxation. The cost of collection is low: costs of collection consume over 13 per cent of the land rent, and nearly 10 per cent of the income tax, while the costs of collecting import and export duties and excise take only about 4 per cent of the yield of these taxes. Moreover, the people pay these taxes in small amounts and when they have the money. By limiting their purchases of certain articles they can automatically reduce their taxes. The regressive nature of the tax is not so important as it is in other countries where greater differences in incomes exist. Furthermore, an element of progression is brought in even for the native population by the direct taxes.

An important source of revenue is found in the Government monopolies. Of these there are three: the sale of opium and salt and the operation of pawnshops. In 1928 their yields were respectively 31,040,000, 10,994,000, and 14,484,000 florins. Profits from the opium and salt monopoly, now operated as one, have shown a steady decline since 1932. In 1932, profits were still nearly 23,000,000 florins; in 1938 they were only 14,250,000 florins. The Government pawnshops have brought to the treasury a fairly steady income, which in recent years has hovered around 3,000,000 florins. The opium monopoly is regulatory rather than fiscal. The object of the pawnshop monopoly is the combating of usury, but since the Government makes more than a normal profit this excess profit is in the nature of a tax on borrowing and lending. The Government has frequently been criticized for taking more than a normal profit from its pawnshops, but

in reply it is said that the people do not mind the high rates and they would prefer a lowering of direct taxes to a lowering of pawnshop rates. That there is an element of taxation in the salt monopoly is not denied, but it is difficult to measure it. Moreover, the costs of protecting the monopoly eat up funds without benefit to Government or consumer. The three monopolies in 1938 produced less than a third of the revenue which they produced a decade before.

In prosperous years the surplus from Government products constitutes an important item—80,026,000 florins in 1927 and 62,562,000 florins in 1928. The products which the Government itself raises, mines, and sells are cinchona, rubber, timber, gold, tin, and coal. The mixed concession is sometimes used for exploitation purposes. The Government industries, which in 1928 produced profits of 50,543,000 florins, include the following: harbor works, dredging service, electric enterprises, printing office, postal, telegraph, and telephone services, railroads, tramways, and autobus lines. In less prosperous years the revenue from Government industries and products shows a rapid falling off. In 1927, Government industries, products, and monopolies yielded 175,000,000 florins, but in 1932 only 54,000,000 florins. With the return during the past few years of greater demand for the raw materials which the East Indies produces and higher prices, the Government industries and products again turned substantial sums into the general treasury. Profits up to 15,000,000 florins made by the Government-operated tin mines on the island of Banka go into the ordinary service of the budget, but all profits in excess of that sum go to the reserve fund of the extraordinary service. During the depression and until 1936 the Banka tin mines made a profit of less than 15,000,000 florins, but since that date have produced profits much in excess of that sum. Excess profits for the year 1939 were 3,500,000 florins; for 1940, 15,000,000 florins.

The natives' share of the total taxes apparently fell from 1900 to 1931, but went up sharply during the depression. Meyer Ranneft and Huender in their report⁶ estimated that the natives' share of the total

⁶ *Ibid.*

taxes declined from 59.5 per cent in 1913 to 43.8 per cent in 1920 and 33.7 per cent in 1924.⁷ However, a tax expert in 1912 estimated that the percentage paid by Europeans and natives was 11 and 89 per cent, respectively.⁸ In prosperous years the Indonesians paid a far smaller share of the taxes than in years when Western enterprises did not flourish. It was estimated that in 1923 the Europeans, Chinese, and Arabs, who together did not constitute 3 per cent of the population, paid 192,000,000 florins in taxes, and the Indonesians only 10,000,000 florins, and that in 1930 the former paid 184,000,000 florins and the latter, 128,600,000 florins. But in 1936 the amounts paid were 14,900,000 and 99,700,000 florins, respectively. More important, of course, is the percentage each group pays of its income. The tax expert referred to estimated that in 1912 the Europeans paid 7 per cent and the natives 19 per cent of their income. Another student of the problem estimated that the natives paid 25 per cent of their income in taxes in 1900, 18 per cent in 1907, and 13.2 per cent in 1921.⁹ Meyer Ranneft and Huender concluded that the mass of landowners paid about 10 per cent of the value of their income in taxes, which was at the time (1924) about as much as Europeans paid on incomes of 8000 to 9000 florins. The natives, moreover, paid this on incomes of 200 to 225 florins per family per year.

FINANCIAL POLICY

The ethical policy followed since 1900 has placed very heavy demands upon the finances of the country. The institutions of Western civilization cannot be supported by the native economy, except on a modest scale. The policy of encouraging the investment of Western capital was promoted as much by the pressure from the liberals as from capitalists, for the insistence upon a welfare policy forced the Government to look for new sources of revenue. Since Western methods are

⁷ In 1928 the Europeans paid 27,240,000 florins in income taxes, the nonindigenous Asiatics 8,785,000 florins, and the natives 14,460,000 florins.

⁸ Idema, *Parlementaire geschiedenis van Nederlandsch-Indië van 1891-1918*, p. 370.

⁹ Huender, *Overzicht van den economischen toestand der inheemsche bevolking van Java en Madoera*.

much more productive than native methods of production, the Government gladly welcomed Western enterprises. The large investments of foreign capital did produce rich sources of tax revenue, but they also drove up Government expenditures, for the Western enterprises required a costly road system and administrative machinery. But surplus revenue the Western enterprises did produce; the leading center of Western enterprises, the East Coast of Sumatra, alone produced an excess over district expenditures of 50,000,000 florins yearly before the depression. The weakness of the economic structure and the fiscal sources dependent upon it lay in its sheer dependency upon a prosperous world market. It has been estimated that the Western enterprises produced 40 per cent of the public revenues, while the surplus from Government products, also sold in the world market, and the surplus from the Government industries accounted for another 20 per cent of the Government income before the depression. A revenue system such as that described above is very sensitive to business conditions, and an economic depression naturally brings with it a shift of the tax burden from Western to native economy.¹⁰ But a colonial economic structure is not a very flexible one, and the vexatious gap between income and expenditures is not easily bridged. On the one hand, the tax burden of the native world cannot be much increased; on the other, governmental costs can only be very slowly reduced.

Beginning with 1900, the date generally taken as marking the beginning of the ethical policy, the governmental expenditures show a sharply progressive increase. In that year the ordinary expenditures stood at 105,000,000 florins. By 1909 these mounted to 129,561,000 florins, and by 1913 to 166,683,000 florins. The latter years of the World War produced exceptional conditions which caused expenditures to soar, so that in 1921 the annual expenditures reached the highest figure so far attained—582,560,000 florins. By 1926 the annual expenditures had again been greatly reduced—to 441,000,000 florins.

¹⁰ The colonial government cannot shift the taxes from the enterprises to the individuals behind the enterprises, because they do not live in the country. The tax sources produced by Western enterprises largely flourish or dry up with the rise and fall of business conditions.

From 1926 to 1931 they began to increase again and in the latter year stood at 523,000,000 florins. During the depression expenditures were severely reduced, reaching their lowest point in 1935 when they totaled 318,000,000 florins. With the improvement of income and the insistent demand for greatly increased armaments, expenditures began once again to mount—to a total of 367,000,000 florins in 1937 and of 420,000,000 in 1940.

Between 1867 and 1911 the ordinary service of the Government rendered a surplus of 364,800,000 florins, and the four years from 1912 to 1917 furnished a surplus of 48,200,000 florins. With 1917 a new financial policy was inaugurated, departing sharply from the cautious policy of the previous years. During the years 1917 to 1922, inclusive, ordinary expenditures exceeded receipts by about 370,000,000 florins. The expenditures for the extraordinary services also greatly increased, so that the total debt increased nearly 1,000,000,000 florins during these five years. In 1923 the ordinary receipts slightly exceeded expenditures. These surpluses on the ordinary service mounted to 108,503,000 in 1925 and 100,227,000 in 1926, and gradually receded thereafter. The fiscal year 1930 revealed a deficit of 85,000,000 florins, which increased to 102,000,000 florins in 1931 and 148,000,000 florins in 1932. By severely pruning expenditures and increasing taxes the deficits in the succeeding years were steadily reduced until in 1936 the deficit was only 16,009,000 florins and in 1937 there was actually a surplus of 35,000,000 florins. In the last two years deficits have again developed, not because of a decline in income but because of a rapid rise in armaments expenditures.¹¹

¹¹ The following table indicates the ordinary expenditures and receipts during the years 1932 to 1937 (in millions of florins):

	Ordinary receipts	Strictly ordinary expenditures	Deficit ordinary service	Surplus ordinary service
1932.	800 3	448 2	147 9	.
1933	280 7	400 8	110 1	.
1934	234 8	367 3	72 5	.
1935	290 5	318 3	27 3	.
1936	308 0	321 1	13 1	.
1937.	402 3	366 9	.	35 4

The public debt, which was less than 100,000,000 florins in 1914, had increased to nearly 1,300,000,000 florins at the end of 1923, after which it declined to about 1,000,000,000 florins in 1928. At the end of 1933 the total debt stood at 1,522,000,000 florins, but by 1939 it had declined again to 1,372,600,000 florins. In addition, the local governments have a funded indebtedness of considerably over 100,000,000 florins. While this debt seems large, it should be remembered that the Dutch East Indian Government owns extensive physical properties. The value of the Government industries was conservatively estimated at over a billion florins as of the end of 1930.¹²

The East Indies Government, like the Netherlands Government, until September, 1936, followed a stringent deflationary policy. Expenditures were drastically reduced and taxes were increased. The gold standard was adhered to until September, 1936, when the Netherlands was finally forced, because of the action of some of the gold-bloc countries, to leave the gold standard, but of all countries in the world it devaluated its currency least. For a creditor country like the Netherlands this policy was not without advantages, but for a country like the East Indies, which is both a debtor country and a large producer of raw materials for the world market, the policy caused very grave difficulties.¹³ From all classes and racial groups in the East Indies there was an insistent demand for devaluation and for other forms of financial relief. There were demands that the Netherlands Government take over a part—the demands ran as high as a third—of the East Indies public debt. This stringent deflationary policy, together with the policy of reserving a part of the Indies market for Dutch products when cheaper Japanese goods were available, caused a great deal of resentment and even bitterness in the East Indies. There were demands for a more favorable division of defense costs and the transfer

¹² See Wellenstein, "Aan een kruispunt," *Koloniale Studien*, XIV, Pt. 2, 337 ff. For other important articles on East Indian finances see Gotzen, "Eenige beschouwingen over de ontwikkeling van staatschuld en staatvermogen in Nederlandsch-Indie," *Koloniale Studien*, XV, Pt. 1, 71 ff., and Looijenga, "De Indische financiën in de jaren 1912 t/m 1930," *ibid.*, pp. 135 ff.

¹³ See chap. xiv, "Commercial Policy."

of other expenditures to the Netherlands budget, such as the costs of maintaining the Commissariat in the Ministry of Colonies.¹⁴

The deflationary policy, however, was not unsuccessful. Though it involved great costs, the economic structure of the East Indies made its adjustments and was ready to take full advantage of the business upturn which came with the devaluation in 1936. The Netherlands Government helped East Indies Government finances by guaranteeing the East Indies loans and enabling a conversion of a large part of them at lower interest rates. The Netherlands Government, besides taking measures in support of certain East Indies industries,¹⁵ in 1936 announced an outright gift to the Indies Government of 25,000,000 florins. This gift, spread over three fiscal years, was used for public welfare purposes.

¹⁴ See J. Schreke, "Indie vraagt hulp," *Indisch Genootschap*, May 6, 1936, "De Indische Financien," *ibid*, December 13, 1935.

¹⁵ See chap. xiv, "Commercial Policy."

Chapter XVIII

THE NATIONAL AWAKENING

WHEN THE DUTCH first came to the East Indies not a single island had been politically unified. And until a few decades ago there was hardly a trace of economic, social, or sentimental unity among its inhabitants. Indonesian society was divided into numerous small isolated communities, each in itself a primitive social, political, and economic unit. Common elements in the lives of these numerous units were not absent. Mohammedanism had impressed a certain religious unity upon the population of wide areas. In spite of wide surface variations, the inhabitants were basically one in language and race. As might be expected among islands so widely separated geographically, the peoples differed greatly in the stage of development they had reached. The intellectual outlook of these peoples was characterized by an otherworldly orientation and mysticism. The place and function of the individual in the social structure was determined by tradition and status and transferred by heredity.

It is the welding of these peoples into a political, social, and economic unity and the social and cultural transformation which accompanies it that is the essence of the nationalist movement. This transformation differs from the same process in the West in two important respects. The dynamic West underwent this transformation at a leisurely pace, over the course of about five centuries and in the form of four or five separate revolutions. The "conservative" East is telescoping the Renaissance and the commercial, political, industrial, and scientific revolutions into a few decades. And while the transformation in the West was the result of indigenous forces, the transformation in the East has been largely produced by the aggressive penetration of an alien civilization. These two factors largely account for the vehement nature of the movement in the East, for the social and psychical eruptions which are now occurring in the midst of what was not so long ago a slumbering society.

THE NATIONALIST MOVEMENT

There is naturally a great similarity in the factors influencing nationalist movements in the various Eastern countries, but it is not necessary to include a general essay upon them here. However, some explanation of the peculiarly local factors will throw much light upon the character and strength of the Indonesian nationalist movement. Compared to India and the Philippines the Indonesian movement began late. Several factors may be pointed out in explanation of this. The shift from a mercantile system to private exploitation really did not take place until after the abandonment of the culture system in 1870, and it was not until then that the sharp penetration of native society began. The islands outside of Java and the Moluccas were not even effectively occupied until after 1900; thus the penetration of Western influences in vast areas of the Outer Islands is still of only short duration. The Dutch were also slow in introducing lower Western education for any considerable number of the Indonesians, and higher educational institutions are the product of the last decade. Western higher education was introduced in India over a hundred years ago and in the Philippines by the Spaniards three centuries ago. While India and even the Philippines have long numbered their college and university students by the thousands, the East Indies today numbers hers only by hundreds. Many Indonesian students now go to Holland for advanced study, but this, too, is only a matter of a few years. In 1906 there were only eight Indonesian students at Leiden and a few years before only five in all Holland.¹ Thus, while the percentage of literacy is no higher in India than it is in the East Indies, the former has a far greater number of educated leaders.

Another factor of great importance, especially as compared with the Philippines, is the social and legal position of the Eurasians. In the Philippines the Eurasians associated themselves with the native cause and became the leaders in the nationalist movement. The

¹ Noto Soeroto, "De eerste organisatie van Indonesiers in Nederland," *Indische Gids*, January, 1929, pp 238 ff

Dutch in the East Indies have been peculiarly free from race prejudice, have intermarried freely with the natives, and have accepted the Eurasians in their society. Even today the Eurasians are separated from the native world by their legal and political assimilation to the Europeans. They naturally considered their interests as identical with those of the Dutch and it has only been recently that signs of a different orientation have appeared among them.

Other factors than those already mentioned give the Indian movement a different character and greater strength than the nationalist movement in the Dutch East Indies. India has a cultural background which is entitled to a large place even in world history; the Indonesian cultural inheritance, while not altogether insignificant, is in no way comparable to that of India. Moreover, India is a country with a great political past and a centuries-old historical consciousness. This consciousness of past greatness in the presence of cultural deterioration and political dependence has contributed not a little to the development of a strong nationalist sentiment. Moreover, there is a much larger and stronger middle class in India than in the East Indies. Much of the capital in the large industrial enterprises of India is Indian; there is practically no indigenous capital in the East Indies. Christian missions began operating in India on a large scale much earlier than in the East Indies, opening up a new and important channel of Western influence.

The Dutch policy of respecting native customs and institutions and building upon them instead of replacing them has undoubtedly retarded the nationalist movement. The nationalist movement seeks to utilize the discontent found among the illiterate masses, to whom the lofty appeals of the nationalists mean little. The feelings of the majority can be brought into action only by the exploitation of local grievances or the general resistance of a primitive people to the invasion of a foreign civilization. Any appeal which strikes above that obtains only an intellectual following. While this policy of protecting and developing native customs and institutions has softened mass resistance to Dutch rule, its benefits are partly cancelled by the paternal

character which the administration increasingly took on, especially after the adoption of the "ethical" policy. The administration penetrated more and more into the smallest details of native life.² Snouck Hurgronje states that the pressure of these numerous and changing prescriptions regulating the native's whole life is a factor in explaining the receptiveness of the ordinary villager to movements to which intellectuals and other agitating compatriots urge him. "Regardless of the name under which a society or a system recommends itself, he will be easily inclined to follow those whom he believes to be prepared and in a position to loosen somewhat the oppressive bonds which surround him." A belief common among the Javanese that a prince, Ratu Adil, is soon to come, bringing happiness and plenty, makes the masses additionally susceptible to agitation.

There are certain peculiar features of the social and economic structure of the East Indies which have an important bearing on the political situation in the East Indies. These features have been presented at some length in an earlier chapter and need only be restated briefly here. The intensity of colonization is far greater in the East Indies than in either the Philippines or India. There are in proportion to the native population nearly five times as many Europeans in the East Indies as there are in India. The Dutch have migrated to the East Indies in considerable numbers in the last two decades. Some live there only during their productive period, others make it their permanent home. The number of Dutch settlers in the East Indies is very large in comparison with other European dependencies. In addition to the large European population there is the large and economically important racial group of over 1,200,000 foreign or nonindigenous Asiatics. The majority of these are Chinese, though they also include considerable numbers of Arabians and British Indians. The Arabians and the Chinese have been in the East Indies for centuries; many were

² "The native had prescribed for him how, what, and when he should plant on his soil, how he should build his house and fence his yard, with how many persons he could ride in a dog-cart, and what not." Noe, "De nationale beweging," in *Colijn en Stibbe, op. cit.*, II, 339 ff.

³ *Colijn over Indië*, p. 25.

found there even before the arrival of the Dutch. The nonindigenous Asiatics constitute the middlemen, the trade intermediaries between the natives and the Dutch, and are therefore an important factor in the economic life of the country. There is practically no native middle class.

The East Indies constitute a great investment colony of the Netherlands. About three-fourths of the capital invested in the islands is Dutch. It is estimated that the Dutch investments alone total between a billion and a quarter and a billion and a half dollars. The Dutch capitalists with holdings in the East Indies are very well organized, both in the colony and at home, and exert tremendous pressure on both the Netherlands and East Indian governments. The Western capital is invested not only in mercantile, but also in producing enterprises, thus penetrating deeply into native society and economy.

Certain geographical and racial features have an important bearing on the problems of government and the development of a sentiment of nationalism in the East Indies. The East Indies constitute not one land mass but a large number of islands spread over a vast area and separated from each other by great distances. Sumatra and New Guinea are two thousand miles apart at their nearest points. The inhabitants of the various islands differ widely, and generally this is also true of racial groups on the same island. On Java itself there are three groups: the Sundanese, the Javanese, and the Madurese, each with its own language and in many respects with distinctly different morals and customs. An island consciousness is slowly developing to break down the old exclusive tribal loyalty. This island consciousness as distinct from an Indonesian nationalism is promoted by the predominance of Java in population and cultural development. Though Java has less than a third of the area of Sumatra and a fourth of that of Borneo, it has two-thirds of the total population of the East Indies. The Outer Islands fear the predominant influence of Java in the East Indian Government. Religiously the East Indies are less homogeneous than the Philippines, but they are free from that bitter hostility

between religious groups and castes which is so disturbing to the peace of India. Java and the larger part of Sumatra are Mohammedan; Ambon, the Minahasa in northern Celebes, and the central plateau of Sumatra are Christian; Bali is Hindu; and most of the remaining territory is in some form animist. But since practically all of the non-Mohammedans are found outside of Java the objection to a strongly centralized government controlled by the Javanese is reinforced by the religious division.

This lack of national unity is illustrated by the absence of a satisfactory general name either for the islands or the peoples as a whole. "Netherlands India" is the official name of the country, but it is not a convenient name nor one that will ever win favor among the nationalists. "Insulinde," the name coined by Dekker when, in one of the closing paragraphs of *Max Havelaar*, he refers to "the glorious realm of Insulinde, that winds yonder round the equator like a girdle of emerald," obtained a wide usage, but is now losing in popularity to a new name. About fifty years ago a German ethnologist, by the name of Bastian, applied the term "Indonesia" (Indian Island Realm) and "Indonesians" to the islands of this archipelago and its peoples. Scientifically the term is too broad to be used for the East Indies alone, for it also includes all the Philippine Islands, Formosa, British Malaya, and Madagascar, but the name has been adopted by the nationalists and now has a rapidly growing popular usage.

HISTORY OF THE NATIONALIST MOVEMENT

The first outward manifestation of the nationalist movement dates from only 1908, when the first native political society was organized. The forces which produced this movement had, of course, been at work for some decades previous. The economic and social structure during these decades underwent a sharp change, owing to the introduction of Western industry on a constantly larger scale. More and more the natives were drawn into the system, and the status of many changed from that of communal village farmer to that of agricultural or factory coolie. The social and economic disparity between

the Europeans and the natives was intensified.⁴ The latter were excluded from all the better-paid positions, the former came in ever greater numbers and profited immensely. During these decades, too, the influence of the Government was penetrating ever more deeply into native society. These sharp contrasts in the economic and political world were heightened because they ran along racial lines. With the development of native consciousness the colonial relationship quickly became charged with racial feeling.

The administrative penetration, the Western industries, the extension of Western education—these and other forces were laying native society wide open to Western influences. It is this general impact of the West upon the East that is the most important factor in the situation. A centuries-old culture, of a vastly different development and orientation economically, religiously, ethically, and philosophically, was being shocked to its foundations by the imperious influx of Western cultural elements. Christianity battled for mastery over Islamism, Hinduism, and animism; a dynamic world was lashing a static world into action; a secular, urban, science-exalting life and world view invaded a society ruled by a rural, dreamy, intuitive, religious, superstitious outlook on life. Primitive societies which for centuries had lived in a protected isolation were suddenly brought into the full current of modern life. The illiterate masses had no idea of what was taking place, but the new contacts and forces aroused in them vague feelings and thoughts and stirred up aspirations far beyond possibilities of fulfillment.

The first native political society, *Boedi Oetomo* (Beautiful Striving), held its first congress in 1908. The founder of the society was a pensioned government doctor—an Indonesian—who felt that the native intellectuals ought to take the lead in working for the educational and economic advancement of the masses. The movement en-

⁴ A mixture of political and economic factors is presented in the keen competition for government positions. Government salaries stand out as mountain peaks in native economy. In the Netherlands the highest salaries in the government service are only six times as high as the lowest salaries, while in the East Indies they are eighty times as high. See de Jongh, "De historische taak van Nederland in Nederlandsch-Indië," *Indisch Genootschap*, 1930, p. 131.

joyed an immediate rapid growth; in 1910 the society had 10,000 members enrolled in forty branches. The furtherance of popular education became the main activity of the society, though a few branches also made efforts to further native commerce and industry but generally met with little success. *Boedi Oetomo* is composed of upper-class natives, government officials, and intellectuals, but is confined very largely to Java and the Javanese. Its primary aim was not political but it gradually took on a marked political character and now has representatives in the Volksraad and in the provincial councils of Java.

In spite of its favorable early start, *Boedi Oetomo* was soon eclipsed by a second and more popular political society, *Sarekat Islam*. This society had its origin in the depressed conditions in the batik industry in central Java about 1910. The native batik industry was suffering a fatal competition from foreign lands. These conditions kindled a resentment against the Chinese, upon whom the people in the batik industry were dependent, and whom the native dealers accused of unfair practices. With the republican revolution in China the Chinese began to develop a strong national consciousness and became haughty in their attitude toward the natives. The society set for its object the economic independence of the natives, especially as over against the Chinese. Coöperatives were organized and a boycott was called against the Chinese dealers. Disturbances occurred in several of the large population centers.

In addition to the economic element a religious one was introduced, largely for the purpose of giving the movement a wider popular base. If *Sarekat Islam* had confined its activities to the economic field it probably never would have been anything more than a middle-class movement. To enlist the interest of the masses an appeal was made to the one common element in Javanese life—the element which gives the Javanese a feeling of solidarity—Islamism. Mohammedanism was at this time stiffening its resistance to the increased Christian missionary movement. Opposition to all wrong conceptions of the religion of the Prophet and keeping the people true to his religion were linked with promotion of economic welfare as the two main ends of

the society. The first congress of *Sarekat Islam*, held in 1913, expressed loyalty to the Netherlands but passed a resolution for a self-governing Indonesia within the Dutch empire, to be reached along evolutionary lines. The second congress, held in 1917, reflected a much more radical spirit. Independence became the chief object, along parliamentary lines if possible, but if peaceful activities remained fruitless, so declared the leaders, the party would know how to offer itself for land and people. The new spirit soon began to reflect itself in action; in 1918, out of sympathy for a discharged pawnshop official, the personnel of the government pawnshops went on strike. The third congress, held in October, 1918, represented a new and more radical trend. The leadership of *Sarekat Islam* took on a doctrinaire socialist character. Capitalism was singled out as the common and supreme enemy, great emphasis was placed on the class struggle, and it was even declared that the Indian Government and capitalism were one and the same.

A third current in the nationalist movement was represented by the Indian Party, organized in 1912. This party, composed of Eurasians and Indonesians, advocated a brotherhood between these two groups for an independent East Indies. The leadership was very radical; in 1914 three of its leaders were exiled.⁵ Thereafter the party continued a less radical but more peaceful existence under the name of *Insulinde*.

The East Indian nationalist movement had reached the stage sketched above before the existence of a central representative body or a single provincial council. Until 1918 the East Indian Government was a highly centralized bureaucracy. The need for decentralization had long been felt and the idea of native participation in local government was the subject of a continuous exchange of communications between the Minister of Colonies and the Governor General from 1856 on, but nothing came of the matter until 1903, when a law was passed providing for a small measure of decentralization. Under this law a number of local councils were established in 1905. A central legislative body should have come as the climax to a long experience in local representative bodies, but political as well as administrative

⁵ E. F. E. Douwes Dekker, a grand-nephew of Multatuli, was one of the leaders of the party.

decentralization had been too long delayed. A central representative body had at last been set up, in the midst of feverish world conditions, before the Government and people were prepared for it, and yet so late that the flood of long pent-up forces, piled high by the war, was at the point of breaking through the governmental structure.

The Volksraad, the central legislative body, was created by a law of December, 1916, but it was May, 1918, before it met in its opening session. It was endowed with only advisory functions and its meager powers satisfied few. The Governor General, Count van Limburg Stirum, in his speech opening the Volksraad, essayed to soften the general disappointment over the small powers entrusted to the Volksraad by stating that this was only the first step, which shortly would have to be followed by others. The first meetings of the Volksraad were almost tumultuous. A proposal to send the Queen a message of homage was blocked by a few Socialists and extreme nationalists. Under the original rules the use of only the Dutch language was permitted, but the right to use other languages was demanded by the native members. The Government then permitted the use of Malay also. A storm of fierce criticism broke loose on the East Indian Government and a flood of amendments and resolutions came from the floor. The Government, shocked by all this criticism and unprepared, was swept off its feet. Its spokesman defended it weakly and for a while it looked as if the Government was going to lose control. Finally, after a member had issued a note of warning, the Volksraad came to itself and the rest of the first session passed off quite calmly. However, in the second session, held in the closing months of 1918, events of even greater import occurred. Under the instigation of a Socialist member of the Volksraad, a Dutchman, the so-called "radical concentration" was formed, composed of the members of the Socialist, *Boedi Oetomo*, *Sarekat Islam*, and *Insulinde* parties in the Volksraad. On the 18th of November a member of the *Insulinde* Party made a very critical speech, in which he defended the right of revolution. The Government, not yet recovered from the fright inspired by the events of the first session, was thrown into a panic by receiving on the same

day a cablegram from the Netherlands telling of the revolutionary disorders which were taking place there as well as in many other countries of Europe. The Governor General was in a very difficult position. Without consulting his Council and without the knowledge even of the Minister of Colonies, he appeared before the Volksraad and delivered a hastily prepared declaration announcing speedy and far-reaching governmental reforms. A few weeks later he appointed the Revision Commission to recommend proposals for a revision of the East Indian Government Act. These announcements relieved the tension of the moment and aroused high expectations for the future.

It could hardly be expected that the nationalist movement would be checked by all these promises and preparations for constitutional reforms. Indeed the movement took on new and radical aspects during the period from 1920 to 1927. It fell under the influence of communism and culminated in a communist insurrection. Since communism is the antithesis of nationalism, what took place can probably best be explained as either communism using nationalism, or nationalism using communism for its own purposes. There will always be found in an economic and political colony such as the East Indies a marked anticapitalist strain which is neither socialism nor communism but a reaction against the great invasion of foreign influence in all native life and affairs. So long as foreign control continues, widely differing and often opposing elements will be found in a common assault on the government.

Conditions in the East Indies were peculiarly ripe for communist propaganda at this time. The village, formerly a social and economic unit in itself, was fast breaking up as a result of the introduction of the large-scale European cultures. The people in the villages were coming under new and strange influences of press and propaganda, while socially and economically they were almost being jerked out of their village and patriarchal relationships. Simultaneously far-reaching changes were taking place in the governmental organization. Formerly every governmental contact with the people was through the head of the local administration, but his contacts were steadily

reduced by the transference of many of his functions to the newly created central agencies, such as the bureaus and departments of forestry, education, agricultural information, peoples' credit, and others. But these newer agencies were chiefly impersonal in their methods. The civil servants, as time went on, became steadily more immersed in paper work which confined them to their offices. The Government lost its contact with the masses and with the village heads in particular. Formerly the civil servants kept themselves constantly informed of the local grievances and immediately sought their correction. The grievances now went unnoticed and uncorrected. The communists exploited all these local grievances.

During and after the war a large number of labor unions sprang into existence, and throughout the whole period from 1920 to 1927 there occurred a series of serious strikes in Java and Sumatra. In the meantime a small group of Dutch and native communists began borrowing from within the native labor unions and political societies. Within the course of a few years they were successful in capturing the leadership in the local chapters of *Sarekat Islam*, but they were defeated in their attempt to gain control over the central leadership of the party. In 1923 the "old guard" mustered all its strength and ejected the communists from the party and prohibited any of their members from joining the Communist Party. But it was a Pyrrhic victory for the leaders of *Sarekat Islam*, for their power had been thoroughly undermined. Their influence waned, and the party never recovered from the decline in prestige and numbers which befell it. The communist leaders organized a rival society to *Sarekat Islam* in *Sarekat Rakyat Merah* (Red Proletariat League) and a Red Trade Union Secretariat for Indonesia was organized, which was apparently affiliated with the headquarters of the Red Trade Union International at Moscow. The communist campaign provoked an outbreak of strikes in the later months of 1925, and culminated in a number of simultaneous violent disorders in Java and Sumatra in November, 1926, and a second outbreak in January, 1927.

The Government had no great difficulty in putting down the dis-

orders. An internment camp was established in the heart of New Guinea, to which over a thousand communists, accompanied by their families, were deported. The activities of the Communist Party in fomenting popular disorders have been broken up, but there still remains for the Government the great task of keeping the nationalist movement in peaceful and evolutionary channels. The Government, which follows a policy of sympathetic encouragement of the movement while firmly and, if need be, forcibly resisting every excess, finds itself playing a difficult role. The Governor General's position is especially trying and thankless. This was the poignant experience of Governor General Jonkheer A. C. D. de Graeff. De Graeff was deeply sympathetic with the native movement, favored increased concessions to the demands for self-government, and in spite of the communist outbreaks in the early months of his term, resolutely continued in the pathway of conciliation. He sought to win the nationalists to his side by following a liberal policy, but without tangible results. In the last days of December, 1929, when the nationalist movement was threatening to go over to violence, Governor General de Graeff reluctantly ordered raids on the nationalist headquarters and the imprisonment of several of the leaders. His policy failed to win the nationalists, and it brought down upon him the wrath of a majority of the Europeans, who are in the East Indies in the interest of business and not of uplift.⁶

The suppression of the communist outbreaks probably put a definite end to that trend in the nationalist movement which sought and hoped for foreign aid. The *Sarekat Islam*⁷ leaders were for a long time under the influence of the Pan-Islam movement, and in turn directed their eyes to Turkey, Egypt, and Arabia. One *Sarekat Islam* congress sent a message of homage to Kemal Pasha. Certain old mystical prophecies have at times led to a centering of hopes on China. The communists found in Russia an outside fulcrum against Dutch con-

⁶ While the Government studiously avoids any references or terms which might possibly offend the Indonesians and treats them with the utmost respect, many of the European transients do not. Their manner, especially in part of the European press, is often offensive.

⁷ In 1924 the *Sarekat Islam* representative in the Volksraad resigned, and the party since then has followed a policy of noncooperation.

trol, but a fulcrum of insufficient strength. The nationalist movement since 1927 has thrown off outside influences and given up hope of foreign aid. It has become steadily more purely nationalist in character. There is still a small element which desires to keep the nationalist movement in religious channels. It secretly believes that a militant Mohammedanism will produce an Islamic mass upheaval against the alien, non-Mohammedan government. A French student of colonial government and Moslemism is of the opinion that the East Indies Government dangerously underestimates the anti-Dutch activity of the Moslem movement and exaggerates that of the nationalists.⁸ This religious current in the nationalist movement is declining, however, while a new stream, which may be characterized as a back-to-the-old-culture stream, has been gaining in volume and momentum.

NATIONALIST ORGANIZATIONS AND RECENT TRENDS

PERHIMPOENAN INDONESIA

At about the same time that *Boedi Oetomo* was organized (1908) in the East Indies, a society, the *Indische Vereeniging*, was organized in the Netherlands. This organization, the object of which was to promote the common interest of East Indians in the Netherlands and to maintain contact with the East Indies, was open to all "Indiers," that is, all who regarded the East Indies as their home.⁹ A sharpened political-mindedness among the Indonesian members led to the withdrawal of the members of the other racial groups. These, with the more moderate of the Indonesians, formed the *Indonesisch Verbond van Studeerenden*, an alliance of organizations of students at the various colleges and universities in the Netherlands.

De Indische Vereeniging, which had gone its own way, in 1922 changed its name to *Indonesische Vereeniging* or, in Malay, *Perbimpoeaan Indonesia*. Owing to the increased number of Indonesians who came to the Netherlands after the war to complete their education, the society had grown in strength, and its changed name re-

⁸ G. H. Bousquet, *Dutch Colonial Policy through French Eyes*.

⁹ See article, "Nationalistische beweging," *Encyclopaedie, Aanvulling*, pp. 898 ff.

flected its sharpened nationalist spirit. The principle of noncoöperation was adopted in 1923. About this time the leaders came into personal contact with the communist leaders, Semaoen and Tan Malaka, who had been first interned by the East Indian Government and later allowed to leave the East Indies. The society became steadily more revolutionary; it entered into relations with the Executive Committee of the Communist International and with the League against Colonial Oppression which was organized in Berlin in 1926. To the congresses of the latter organization, held at Brussels in 1927 and at Frankfurt in 1929, *Perhimpoean Indonesia* sent delegations. The society publishes at The Hague a bimonthly organ called *Indonesia Merdeka*. Police raids in 1927 led to the trial of three of the leaders for incitement to revolution. A Hague court in 1928 dismissed the charges for insufficiency of evidence. The society carries on an active propaganda not only among the Indonesian students in the Netherlands, but also in the Indonesian student colonies in Cairo and Mecca, and among the masses of the East Indies.

STUDY CLUBS

The repatriated *Perhimpoean Indonesians* are exercising a constantly larger influence on the nationalist movement. In 1923 there was organized at Surabaya a "League of Intellectuals" on the basis of Javanese nationalism and with a marked revolutionary character. This society was soon eclipsed by another one founded a year later on the basis of Indonesian nationalism. This "Indonesian Study Club" seeks to arouse the native intellectuals to social consciousness and to stimulate them to constructive social labor by discussion of national and social questions. As a result of this example study clubs have been formed in all the large cities of Java. Although they are not organized in a league, the clubs coöperate for the promotion of their common ends. In July, 1925, an "Interinsular Day" was held at Surabaya for the purpose of discussing how the "Indonesian unity idea" could be best promoted. In 1926 the various organizations formed a *Comité Persatoean Indonesia* for the purpose of bringing unity into the dif-

ferent political currents. The organizations of intellectuals are divided in their views on important issues. Some of the clubs are the proponents of a Javanese rather than an Indonesian nationalism. This is the tendency of the Surakarta Club and its organ, *Timboel*. Unity is also lacking on the question of coöperation. The Bandoeng Club, most strongly under the influence of *Perhimpunan Indonesia*, is opposed on principle to any form of political coöperation with the Government. There are among the club members moderates who are not in principle opposed to cooperation. Dr. R. Soetomo, leader of the Surabaya Club, rejected a position in the Volksraad in 1927 after having accepted it. Pressure from his club led him to renounce the position he had already accepted.

These study clubs, as also some other organizations such as *Mohammadiyah* and *Boedi Oetomo*, are doing much to improve the social and economic conditions among Indonesians. The nationalists have come to see that their political power can never be great until the social and economic status of the Indonesians is much improved. A native middle class is almost nonexistent, but there is now on every hand an eager striving after social and economic improvement on the part of the Indonesians themselves. The study club at Surabaya, the most active of the clubs, conducts an information bureau against usury and for the founding of coöperative societies, an information bureau for labor union activities, a general complaint bureau, and gives evening courses in Malay, Dutch, and English, and bookkeeping. A women's home, a boys' boarding school, an orphanage, a co-operative abattoir, a coöperative bank, and a large national bank constitute some of the other activities carried on by this remarkable group of about 200 young nationalists under the able leadership of Dr. R. Soetomo, a professor at the Surabaya Medical School.¹⁰

Eagerness to achieve something large in the economic sphere has led the Surabaya nationalists to take the lead in organizing the Bank Nasional Indonesia, a bank with a capitalization of 500,000 florins

¹⁰ For an account of the *Surabaya Indonesische Studie Club* see *Mededeelingen der regeering omtrent enkele onderwerpen van algemeen belang*, June, 1930, pp. 39 ff.

There is a network of popular banks all over the East Indies sufficient for the needs of the people, but the nationalists desired a people's bank, a bank of the people as well as for the people. Ownership of the bank stock is limited to Indonesians. This is no small undertaking and faces great practical difficulties, since most of the Indonesians are farmers and what they most need is a decentralized land credit. There is also very little native capital available for such a large-scale financial undertaking. But the nationalists are especially eager to make this people's national bank a success as an answer to the common criticism of the Indonesians that they lack national unity. The bank can, of course, do little to free the East Indies from foreign capital, as freedom from foreign capital can be obtained only by the creation of an abundant native capital, and Indonesian banks would be more an evidence of existing capital than a creator of new native capital.

Another interesting and significant phase of the nationalist movement closely related to the movement of the young intellectuals of the clubs is the *Taman Siswo* system of schools, of which R. M. Soewardi Suryaningrat is the creator and leader. Suryaningrat was exiled from the East Indies in 1913 for revolutionary nationalist propaganda, and after spending six years in Holland returned to his native country to engage in constructive work in strengthening native society. In 1922 he founded the Educational Institute *Taman Siswo* (Children's Garden) at Djokjakarta, and there are already over forty schools in the system, and a high school has recently been started. Suryaningrat is attempting to create an Indonesian national education in contrast with the education given by the Government schools, which he criticizes as European. He does not reject European influences and contributions, but holds that these must be nationalized. He seeks to impart a national character to the instruction in the *Taman Siswo* schools by basing them on the old Javanese system of the boarding school, under which the pupils live with the teachers and instruction is subordinated to the general development of the children. The Indonesian character is further emphasized by fostering the old Javanese community feeling, the use of the native tongue as the medium of

instruction, and instruction in Javanese and Indonesian culture, art, history, and customs. He aims to make harmonious and self-reliant persons out of his pupils, who together with a mastery of Western knowledge and scientific methods have an individual spiritual basis of their own and are not alienated from their own environment. Suryaningrat's educational methods reflect the influence of Montessori and Tagore; great emphasis is placed on spontaneity and self-activity. Vocational training is stressed. "A craftsman who makes beautiful and useful objects is much more valuable than a clerk," is one of the slogans of the *Taman Siswa* schools.

PARTAI NASIONAL INDONESIA

The nationalist movement entered a new phase with the organization of *Perserikatan Nasional Indonesia* (renamed a year later, *Partai Nasional Indonesia*) at Bandoeng in July, 1927. The moving spirits behind it were repatriated *Perhimpoeaan Indonesians* and the party principles clearly reflect the views of that group. According to its statutes the objective of the party is an independent Indonesia through a conscious popular movement, based upon native force and ability. In its declaration of principles the party declares it will recognize no other governmental system than one which proceeds from the people. Since such a government is impossible in a dependency, political independence is the first objective, this objective to be attained by means of noncoöperation. The party will seek to erect a national administrative system within the framework of the existing general administration.¹¹

During the first year the party held a number of propaganda meetings. In May, 1928, its first congress met at Surabaya. The language used by the party at its meeting is "Indonesian," that is, Malay modernized by the incorporation of many Dutch and European terms. A national song, "Indonesia Raja," composed by a student in 1928, is sung at all the meetings and awakens great enthusiasm. The speakers

¹¹ For a statement of the views of the *Perhimpoeaan Indonesians* see *Indonesia Merdeka*, November, 1929, pp. 94 ff.

at the propaganda meetings steadily became bolder and more revolutionary. This led the Government representative to issue, in a speech before the Volksraad on November 8, 1928, a note of warning, declaring that it would hold the party and popular leaders responsible not only for the impression but also for the consequences of their speeches. The party, however, extended its propaganda to the villages by workers trained at a "popular university" and thoroughly tested for their loyalty and discipline. The party soon had a membership of about 6000, of whom about 1500 were found in Batavia and an equal number in Bandoeng. In October, 1929, the governor of West Java forbade the members of the provincial police corps from joining the party, while at about the same time the commander of the East Indian army laid down a similar prohibition for the entire personnel of the army. Incipient disorders led the Government to institute searches of the houses and offices of the leaders and propagandists of the party. This occurred on December 29, 1929. Eight persons were arrested, but only four were prosecuted. These received sentences of from one and a quarter to four years, later reduced to a maximum of two years by executive clemency. The effect of this prosecution was to remove the *Partai Nasional Indonesia* from the realm of political activity, at least for a time.

PERMOEFAKATAN PERHIMPOENAN-PERHIMPOENAN POLITIEK
KEBANGSAAN INDONESIA

Through the efforts of the leaders of the *Partai Nasional Indonesia* a federation of nationalist societies was organized in December, 1928, under the name of *Permoefakatan Perhimpoean-perhimpoean Politiek Kebangsaan Indonesia*, for brevity's sake called the P. P. P. K. I. The following political societies entered the federation: *Partai Nasional Indonesia*, *Partai Sarekat Islam*, *Boedi Oetomo*, *Pasoendan*, *Kaoem, Betawi*, *De Indonesische Studie Club* (Soerabaya), and the *Sumatra Bond*. In order to carry out its purpose, which was to bring unity and stability to the activities of the member societies, an advisory council was set up, composed of a representative of each society plus a chair-

man and a secretary as servants of the council. Decisions must be unanimous to be binding. However, if upon any matter a unanimous vote cannot be obtained, action may still be taken, but only in the name of those parties whose representatives voted for it. To prevent mutual antagonism and recrimination no principles about which there is disagreement, such as religion and noncooperation, may be brought before the federation for discussion. In September, 1928, the P. P. P. K. I. held at Surabaya its first congress, which was attended by 2000 persons.

Dr. R. Soetomo, the leader of the Indonesian Study Club at Surabaya, was made the chairman of the Advisory Council, and Ir. Anwar, likewise of the Surabaya Club, was chosen secretary-treasurer. These selections further moderated the influence of the *Partai Nasional Indonesia* upon the federation. By a decision of the council *Perhimpoeaan Indonesia* was delegated as an advance post for foreign propaganda for the abolition of the penal sanction, *beerdiensten* or forced labor, and certain articles of the criminal law dealing with incitement to public disorder. Action in the sphere of economics was promoted by the creation of a subsidiary, *Persatoean Coöperatie Indonesia*, which as the central organization of some forty Indonesian cooperative societies would lend support to native industries, set up coöperative stores, and encourage the establishment of other coöperative societies.

In spite of the agreement to respect one another's views and not to engage in mutual recrimination, all did not go smoothly within the federation. The arrests of the leaders of the *Partai Nasional Indonesia* for a while increased the solidarity among the nationalist societies, but in the summer of 1930 an open breach developed between the *Partai Sarekat Islam* and the religiously neutral societies. The nationalist press sharply criticized what it called the fruitless and money-wasting activities of the *Sarekat Islam* leaders, while the latter deeply resented nationalist attacks upon religion.¹² The controversy

¹² Nationalist attacks upon polygamy and the Mecca pilgrimage were the chief causes of the controversy.

became so bitter toward the end of 1930 that the *Partai Sarekat Islam* decided to withdraw from the federation. The principle of unanimity was held by many leaders to be the source of the federation's powerlessness and a few months after the withdrawal of *Sarekat Islam* the principle of majority rule was adopted.

SUCCESSORS TO PARTAI NASIONAL INDONESIA

With the arrest of its leaders the *Partai Nasional Indonesia* suffered a collapse. There was naturally a fear if not an aversion on the part of many people against joining a party whose leaders were under sentence. A journalist, Moh. Tobrani, seized the opportunity to take the leadership in organizing a new party on a quasi-cooperative basis. This society, the *Ra'jat Indonesia*, organized in September, 1930, strives for "dominion status" under Indonesian leadership. As specific measures to that end it proposes the broadening of the Volksraad and other representative bodies into representative popular institutions, based upon as wide a suffrage as possible, separate representation in the League of Nations, Indonesianization of the civil service and the army and navy, and the institution of an Indonesian citizenship. The more conservative parties of the P. P. P. K. I. sought to join it in a federation of loyal coöperators, but the new party rejected this advance as it wished to maintain complete freedom of action.

The *Indonesische Studie Club* of Surabaya, which had been organized on a basis of intellectual aristocracy, now shifted to a broader base, hoping in this way to capture the leadership of the popular movement which the *Partai Nasional Indonesia* had developed and to direct it into more conservative channels. It reorganized in October, 1930, changing its name to *Persatoean Bangsa Indonesia* (Indonesian Popular Unity). With respect to the provincial and local councils the party takes a position of coöperation, but the party as such does not seek a place in the Volksraad. Individual members may become members of the Volksraad, but not as party representatives. The matter of party representation in the Volksraad will be left in abeyance until the popular interest in this matter can be more definitely deter-

mined. However, party members must agree to withdraw from membership in the various councils should the party go over to a policy of noncoöperation. The party leaders forbade its members to accept membership in the Volksraad because of the attitude of the Government toward the leaders of the *Partai Nasional Indonesia*. Apparently the party expects to win concessions from the Government by a conditional offer of coöperation.

The remnant of the leadership of the *Partai Nasional Indonesia* now stirred itself to recover control of the Indonesian nationalist movement and as much as possible maintain the old following intact. To this end it reorganized under the name *Partai Indonesia* in April, 1931. The new party, like the old, represents the left wing of the nationalist movement.

In the meanwhile the nationalist forces had scored no mean triumph in another quarter. The oldest and most aristocratic of the political societies, *Boedi Oetomo*, was finally captured for the All-Indonesian nationalist movement. Throughout most of its history *Boedi Oetomo* was conservative and loyally coöperative, but for the last few years the left-wing young intellectuals centering about the students at the Law School at Batavia put forth a strenuous effort to swing this aristocratic and essentially Javanese society into the column of the All-Indonesian movement. This victory was registered at the *Boedi Oetomo* congress held in Batavia in April, 1931, when the party membership was thrown open to all Indonesians. The same congress passed a resolution committing the party to leadership in effecting a fusion of Indonesian nationalist societies.¹⁸ In December, 1931, the executive committee of the party proposed this fusion to all the nationalist societies on the basis of an independent Indonesia to be reached through coöperation with the Government both in and outside of the local councils.

Native political party life is constantly shifting; old parties disappear and new ones are formed; combinations or concentrations are made and break up; some parties are coöperative and moderate, others

¹⁸ See "Boedi Oetomo," *Encyclopaedie, Aanvullingen*, pp. 940 ff.

are noncooperative and extreme. The general effect of the depression was to slow up the nationalist movement, but the influence of the war is to make it more assertive. New obligations and burdens are imposed upon the native population for the purposes of strengthening East Indies defense, and the nationalists are not slow in linking political privileges with governmental duties. They also declare that if the Volksraad should be changed into a body with full parliamentary powers the native population would ardently support the Dutch in the event of attack.

The influence of the nationalist movement in India upon the movement in the East Indies is not inconsiderable. Two institutions borrowed from India have already been discussed—congresses and noncooperation. The Indonesian movement tore another leaf out of the Indian nationalist book by adopting a program of *swadeshi*. By this the Indonesian nationalists mean the domestic manufacture of goods previously imported. Many of the nationalist leaders are beginning to see the importance of economic development as a necessary condition to increased political strength. An active *swadeshi* campaign is now being waged for the reintroduction and strengthening of household industries and the encouragement of larger-scale native industries.

A fourth British Indian influence on Indonesian nationalism is evident in the work of Indonesian nationalists in successfully steering through the Volksraad in 1936 a resolution requesting the Dutch Government for an imperial conference to draft a plan for according to the East Indies along the paths of gradual change autonomy within the imperial relationship. The original resolution contained the phrase "within ten years," but this was dropped. The Eurasian members of the Volksraad voted for it, and so did a few Dutch members, while six Indonesians voted against it. The originators of the resolution wished to see the Governor General made responsible to the whole Netherlands ministry at once, and not to the Minister of Colonies. Ultimately they desire an imperial council, composed of representatives of the four parts of the empire, which should be endowed with

only advisory powers at first but later with full power to legislate for the imperial interests, with an imperial ministry responsible to it.

REACTION

The rapid rise of the nationalist movement has caused a decided reaction in European and other circles. The repercussion became especially marked after the 1926 and 1927 disorders. A Dutch missionary highly sympathetic with the Indonesian nationalist movement declares that the reversal of the mood of trust and expectation into one of distrust and disillusion in the Indonesian world is the most important fact in the situation since 1918, and the most important fact since 1926 is the excitable and uneasy disposition among the European population of the East Indies, its antithetical attitude with respect to the new social phenomena in Eastern society, and its inability to see these in relation to a broad conception of colonial policy.¹⁴ Certain it is that for a period there reigned a feeling of alarm, which gradually gave way to a better-balanced attitude. The major manifestation of reaction was the organization in 1929 of the *Vaderlandsche Club*, to which the Dutch population swarmed by the thousands. The club champions the interests of the European population in the East Indies and takes its stand on the inviolability of the empire. Members of the *Vaderlandsche Club* were much alarmed over the "red danger" and the disastrously lenient governmental policy and were distrustful and wary of governmental reforms. A leading Dutch editor of Batavia characterized their mentality as like that of a man who discovers a snake in his bed—he strikes wildly about him. For a few Dutch people even the *Vaderlandsche Club* was too liberal and did not stand sufficiently for authority. Mussert, the leader of the National Socialist movement in Holland, came to the East Indies in 1935, but found little acceptance for his views. Nazi racial views were very unpopular and the movement in the East Indies expired in 1937.

¹⁴ Kraemer, "De houding van zending en Christendom in Indië," *De Opwekker*, April, 1930. See also his article, "Beschouwing met betrekking tot de inlandsche beweging," *Koloniale Studien*, 1927, Pt. I, pp. 1 ff., for a penetrating analysis of the psychological factors in the nationalist movement.

However, a reaction of an entirely different kind came from the liberal section of the Dutch population. In the early months of 1930 there proceeded from these people a "Society for the Promotion of the Social and Political Development of the Dutch East Indies." According to its declaration the society "will attempt to bring about union and coöperation among the Netherlanders in the East Indies who are convinced that it is their duty as Netherlanders to cooperate in the further execution of the Netherlands' colonial task, which shall have been completed when an Indian Commonwealth shall take its place among the autonomous peoples, in a position, and prepared, to fulfill its international obligations and also to recognize and protect the rights and interests of the nonindigenous inhabitants. That lasting bonds shall continue to unite the Netherlands and that Commonwealth is the objective of the society."¹⁵ This society, the nucleus of which was the European members of the Law School faculty, for a while published a very lively bimonthly journal, *De Stuw*, but the society and the journal both disappeared with the general movement to the right during the depression and subsequent international tension.

The arrest of the nationalist leaders in the last few days of 1929 and the rapid rise of the *Vaderlandsche Club* in turn caused a reaction in the Indonesian world. In January, 1930, a nationalist member of the Volksraad announced the formation of a new nationalist coalition in the Volksraad. This coalition, composed of ten members of the Volksraad, has as its object the early autonomy of Indonesia. Its more immediate aims are political reforms and the abolition of political and economic differences. In the summer of 1932 the Volksraad leader of the nationalist group announced that the objective of the coalition had been changed from an autonomous to an independent Indonesia.

Conservative reactions in the Indonesian world did not remain absent. In 1929 a group of Amboinese at Batavia organized a loyal society, the *Moluksch Politiek Verbond*. The society seeks the autonomy of the Moluccas and a federated union of the various auto-

¹⁵ *De Stuw*, I, 2.

mous parts of the East Indies and the continuance of the political relationship with the Netherlands. A second conservative reaction was the formation in 1930 of a federation of the right in the Volksraad. A movement of more than usual interest and significance was the rise of the Sultanate Society of Djokjakarta. The moving spirit behind it is the brother of the sultan. Its avowed purpose is strengthening the position of the sultanate and its royal family. The influence of the nationalist movement is reflected positively as well as negatively in this movement, as the statutes of the society set self-government upon a democratic basis, as well as the promotion of the social and economic conditions of the principality, as ends for which the society will strive. The society, organized in 1930, soon had 170,000 members. Lastly, in July, 1932, there was launched at Batavia a *Groot-Nederlandsche Studie Groep*. Its membership is composed of both Europeans and Indonesians. It regards a federal governmental structure as the best means of bringing the different parts of the empire into a central union. The society expects to call imperial conferences at stated intervals, to be held in turn in the Netherlands, the East Indies, Curacao, and Surinam.

Before leaving the subject of nationalism one other significant recent tendency must be noted. The large group of Indo-Europeans, powerfully organized politically, though it may still be regarded as a bulwark of Dutch loyalty and strength, is showing signs of an Indonesian orientation. There are several reasons for this. The Indo-European has a feeling of individual and social inferiority and a feeling of being slighted in comparison with the Dutch.¹⁸ Economically he is being caught between the upper millstone of imported Dutchmen and the lower millstone of the rapidly increasing numbers of educated

¹⁸ The importance of racialism in the nationalist movement can hardly be overestimated. One Dutch official told the writer that racialism was rapidly becoming a nightmare "We go to bed with it at night and wake with it in the morning." A Dutch inhabitant said apropos of this, "Life is somber here, always we live in the shadow of racial sentiment." A highly intelligent Netherlands-trained Indonesian declared at a mixed public meeting, "We suffer from an inferiority complex and you Europeans from a superiority complex. Coöperation would be easier and matters would be better if we both moved toward the center in this respect."

Indonesians. He strives for cultural assimilation with the Dutch, but generally lacks the means of sending his children to the Netherlands for part of their education, a matter upon which European society in the East Indies sets so much store. Until now the Government has maintained an intermediate salary scale for him, but the depression probably marked the beginning of its eventual abolition.¹⁷ The agrarian problem forms the heart of the Indo-European problem on its economic side. The Indo-European is denied the right of land ownership and he feels that the solution of his economic difficulties is dependent upon the acquisition of right of land ownership. Some Eurasians already declare that "if the Dutch administration leaves us in the lurch we shall have to range ourselves on the side of the nationalists."¹⁸ In some of the municipal councils of the large cities the Indo-European group is using its position between the Europeans and the Indonesians as a whip for the attainment of its own interests. Among the other Indo groups, especially among the Indo-Chinese and the Indo-Arabians, there has also developed a marked tendency to associate with the nationalist movement.

YOUTH MOVEMENT AND WOMEN'S MOVEMENT

The tremendous social and intellectual changes taking place in the East Indies manifest themselves in still other movements than those so far mentioned. Not the least important of these is the youth movement. The first organization of this nature was "Young Java," erected in 1915 by the Indonesian students in the secondary schools. Similar societies on a subracial basis rapidly followed: "Young Soenda," "Young Sumatra," "Young Minahasa," "Young Ambon," and so on.¹⁹ A further differentiation on a religious basis took place in 1925 when a Moslem youth organization split off from "Young Java." But the powerful nationalist action since 1926 is gradually absorbing racial

¹⁷ See chap. xi, "The Civil Service."

¹⁸ See Petrus Blumberger, "Uittheemsch vereenigingsrecht en intheemsch vereenigingswezen op staatkundig gebied in Nederlandsch-Indie," *Indisch Genootschap*, 1932, p. 239; also Koks, *De Indo*.

¹⁹ See "Jeugdbeweging," *Encyclopaedie, Aanvullingen*, pp. 966 ff

and religious differences. Under the leadership of Indonesian students at the Technical School, the Medical School, and the Law School, the racial societies were fused into a new society, "Young Indonesia." While the different racial organizations have fallen under the sway of the all-Indonesian nationalist movement, the "Young Moslem Alliance," organized in 1926, is holding its own as a mildly nationalist body on a religious basis. The religiously neutral youth societies held their second congress in October, 1928, at Batavia.²⁰

Though the movement for the emancipation of the Indonesian woman antedates the nationalist movement by at least a decade, the former has been given an increased impetus and directed into new channels by the latter. The originator of the movement was Princess Adjeng Kartini, a remarkable Javanese woman, who, though possessing only a Dutch elementary school education, spoke and wrote beautiful Dutch. Ardently desirous of promoting the development of her Javanese sisters, Princess Kartini founded a school for girls. Unfortunately this great woman died at the age of twenty-five, in 1904, but her modest efforts in the emancipation of her sex laid the basis for the influential and rapidly growing Indonesian women's movement of today. A collection of her letters to some Dutch friends was published in 1911 and made a profound impression in the Netherlands.²¹ The book led to a widespread interest in the education of Indonesian girls, and as a result the Kartini Fund was established. This fund has aided in the erection and maintenance of a number of schools for Indonesian girls in all the large cities of Java.

About 1912 the movement became one of organized effort. Numerous societies sprang up first in Java and Sumatra, but later also in other sections. Three currents are to be distinguished in the gen-

²⁰ The following resolution was adopted at this congress: "1) We sons and daughters of Indonesia confess to be of one fatherland, Indonesia, 2) we sons and daughters of Indonesia confess to be of one people, the people of Indonesia, 3) we sons and daughters of Indonesia accept the language unity, the language of Indonesia." *Mededeelingen der regeering omtrent enkele onderwerpen van algemeen belang*, May, 1929.

²¹ *Door duisternis tot licht*. An English translation later appeared, several chapters of which were published in *The Atlantic Monthly*, November and December, 1919, and January, 1920.

eral movement: the reform-Moslem, the liberal nationalist, and the democratic-feminist.²² A federation of women's clubs, organized in 1928, tried to keep unity in the movement by carefully avoiding political and religious propaganda, but met a sharp jolt by the erection of a feminist-nationalist society in 1930. Very shortly thereafter occurred the founding of a Moslem society. In its attack on polygamy the feminist-nationalist group offended the Moslems and the breach between the neutral and the Moslem societies widened.

At the third congress of women's clubs held at Surabaya in December, 1930, action was taken to send two delegates to the All-Asian Women's Conference at Lahore, India. The delegates, one a Javanese instructor at a Dutch-Indonesian school and the other an instructor at the national educational institute *Taman Siswa* at Djokjakarta, having been incorrectly informed en route that the Lahore Conference was to be led by European women, decided to turn back, as the delegates regarded participation in such a conference as in conflict with their position of noncoöperation.

The societies combat polygamy, child marriages, forced marriages, divorce, and prostitution and seek to promote the matrimonial and social freedom of women and the extension of education for girls. Since these objectives run counter to most of the traditions if not the specific teaching of Islam, the movement meets an obstacle in the religious sentiment of the majority. However, the influence of modern Turkey—where the emancipation of women is marked—is exercising a tremendous influence upon the younger and educated group.

THE TRADE UNION MOVEMENT

The startling rapidity of events is seen in one more field of action, the trade union movement. This movement also has fallen under the influence of the nationalist cause, and quite naturally so, for the Government is by far the largest employer in the East Indies, and moreover, very nearly all of the private capital operating in the East Indies is foreign. The movement in the Indonesian world began during the

²² See "Vrouwenbeweging," *Encyclopaedia, Aanvullingen*, pp. 969 ff.

World War, influenced in no small part by Europeans, and quickly developed a fighting spirit. In 1917 the Indonesian personnel of the sugar factories in Java was organized and in 1920 strikes were called in several factories. In the closing days of 1919 a federation of twenty-two Indonesian trade unions, nominally representing a total membership of 77,000, was formed.

For several years after 1920 a bitter struggle for leadership of the movement was waged between the communists and the Moslem nationalists. Matters came to an open break in June, 1921, when the revolutionary group withdrew from the old federation, the headquarters of which were at Djokjakarta, and established a radical federation with headquarters at Semarang. Fourteen unions entered this federation. The Semarang federation was the moving spirit behind a series of strikes which occurred in the following years, and when a strike occurred in 79 of the 360 government pawnshops in 1922, the federation called a general sympathetic strike. The Government then interned Tan Malaka, one of the leaders of the revolutionary federation. He was later allowed to leave the East Indies. Semaoen, another of the revolutionary trade union leaders, was in Moscow at the time attending a congress of Far Eastern labor leaders, but upon his return he engaged in an active campaign to reunite the two federations. By September he had achieved his end. Semaoen was now made strike dictator by his union, and when he began agitation for another strike the Government arrested him. Confronted with a choice between internment and exile he chose the latter. The year 1924 was a peaceful one, but in 1925 strikes broke out with renewed intensity.

As a result of the 1926-1927 communist disorders, followed by quick suppression and drastic government action,²⁸ the revolutionary phase of the movement, except for a few flare-ups, ended. A reorganization now took place upon a nationalist basis, with *Sarekat Islam* and the religiously neutral nationalist societies contesting for control. After 1929 the Indonesian trade union movement acquired an international orientation. This was largely the result of the work of Hadji

²⁸ Internment of about a thousand of the leaders in the wilds of New Guinea.

A. Salim, who was the labor representative of the Dutch East Indies at the 1929 International Labor Conference.

In April, 1930, a federation of trade unions was effected under the auspices of *Sarekat Islam*. Thirteen trade unions, with a membership of 30,000, entered this federation. Another federation, under neutral nationalist influence, includes seven unions with 2000 members. Some forty trade unions, nearly all of which are unions of government employees, with 30,000 members, are unfederated. A visit in 1931 of three leading Dutch labor union leaders greatly stimulated the Indonesian trade union movement. Probably as a result of this visit the largest federation joined the International Alliance of Trade Unions.²⁴

²⁴ For a recent account of the Indonesian trade union movement see "Vakbeweging," *Encyclopaedie, Aanvullingen*, pp 961 ff

Chapter XIX

POLICE AND DEFENSE

THE POLICE function differs considerably in a dependency from what it is elsewhere and the problems of police organization are correspondingly more difficult. The police must keep in touch with all the movements of native opinion in order to anticipate disorders and insurrection. The nationalist movement brings with it delicate questions of control. No matter how sympathetic the government may be with aspirations for self-government, it cannot move faster than the economic and intellectual development of the people; and without peace and order effective progress cannot be made. The metropolitan country must either govern or get out, and so long as it feels it must govern so long must it also take the responsibility for the maintenance of order and the continuation of an effective administration.

POLICE

There are four kinds of police in the East Indies: local, general, field, and armed police.¹ The local police, generally called the *desa*-police, is under the control of the village head and the Central Government has no direct concern with it. The general police is under semimilitary discipline and lives in barracks. The general police force is largely composed of Menadonese and Amboinese, who more than any of the other indigenous peoples in the East Indies have been culturally assimilated to the Dutch and are known to be very loyal. The military tradition with them is strong. The field police was established in 1919 and 1920, after it became evident that the village police alone was inadequate for the protection of the rural districts. The *Sarekat Islam* movement was at this time causing disturbances among the natives and the need of a trained, mobile police for the rural areas led to the establishment of this police division. It is composed of about 3000

¹ For a good description of the police organization see Horweg, "Politie, leger en veiligheid in Nederlandsch-Indië," *Indische Gids*, 1929, Pt. 1, pp. 356 ff. and 443 ff.

men in about 70 detachments, barracked, well-trained, and armed, with a fleet of motorcycles and enough horses to mount the whole force. While some retrenchment has taken place in the general police force since 1919 the field police was retained at its highest strength and even extended.

The armed police has been used chiefly in the Outer Territories. It was organized to perform a function midway between that of the general police and the army. A corps was needed which more directly than the army would support the Government in the daily administration, especially in places where economy prevented the garrisoning of an army unit. As the army withdrew from the pacified regions of the Outer Territories, the armed police moved in. Though organized on a military basis, its function is solely to maintain order, and hence it does not engage in the detection of crime and the investigation of penal offenses. With the development of the Outer Territories the Government has before it the problem of the eventual disposition of this force. For a while the Government was transforming sections of it into field police, but because of the necessity of stringent economy part of the police functions have been transferred to the army.

The Native States have their own police, which, however, have jurisdiction only over the subjects of the Native States. If a state calls upon the Government for aid the latter sends in its police, the expenses of which must be borne by the state.

Because of the political nature of much of its work, the police operates under the direction of the Solicitor General, who, though he is "attached to the High Court," is subject to the direct confidential orders of the Governor General with respect to his police functions. He has under his direction a very well organized and effective secret service. A school for the training of police personnel is located at Soekeboemi in Java.²

² For the constitutional side of the police function in the Dutch dependencies see van Vollenhoven, "Politie overzee," *Koloniaal Tijdschrift*, XIX, Pt. II, 133 ff.

DEFENSE

Plans for the defense of the East Indies are controlled by a union of significant factors. From the metropolitan side these factors are the peculiar geographic position and military weakness of the Netherlands and its policy of no alliances but of active coöperation in all movements for strengthening world peace. The position of the East Indies in Asia is not unlike that of the Netherlands in Europe. Both are situated on the most important lanes of ocean commerce in their respective continents and in a position about midway between the Great Powers. The danger for both comes from the possibility that their waters may become a seat of conflict between two of the Great Powers and that one or the other may for strategic reasons be led to violate the territorial sovereignty of the innocent third party. In other respects the position of the metropolitan country and the dependency differ materially. One is a continental and the other an insular country; one is an important transit country, the other an important producing country of world products. And it is the production of one of these products, oil, which gives special cause for concern.⁸

For a small country like Holland any sort of defense for a dependency thousands of miles from the home territory and of the peculiar formation and extent of the East Indies is a baffling problem. A Government commission to study the problem was appointed in 1912. In its report⁴ of 1913 the commission recommended that the basic principle upon which the defense system then rested—a stout defense of Java alone—be abandoned, that the defense of the East Indies, including the protection of its neutrality, should rest primarily with the navy, and, in view of the limitations of personnel and finance, that the navy ought to be greatly strengthened at the expense of the army. The function of the latter should be confined to the protection of the naval bases and the seat of the Government. The recommendations of the commission found no favor with the Colonial Office. Minister

⁸ See chap. xx, "World Politics."

⁴ See "Verdedigingsstelsel van Indië," *Encyclopaedie*, IV, 537.

Pleyte held that in any defense plan the role of the army should remain primary, and in view of the fact that an army large enough for the defense of all the islands was impossible, the plans should concentrate upon an impregnable defense of Java alone. To this end the standing army should be gradually transformed into a skeleton for a large militia army. As a partial execution of this plan a new article, providing for compulsory military service, was inserted in the East Indian Government Act by a law of 1917.⁵

For a time after the World War the Netherlands Government seemed to have adopted a policy of watchful waiting. If not putting its trust in the League of Nations, it at least seemed to be waiting to see what developments would come out of it before actively resuming the task of developing plans for defense. The cost of maintaining neutrality during the World War and the unfavorable state of the metropolitan and colonial finances were additional reasons for the inactivity of the Government in this sphere. And in the meanwhile, according to its critics, it was allowing the army and navy to fall into decay. The tense situation in the Pacific again moved the Government to action. There seems to have been some fear of an attack upon the East Indies at this time, for an interdepartmental defense commission created in 1920 declared that a direct attack constituted the most dangerous threat to the safety of the East Indies. The commission proceeded from the premise that the international position of the East Indies made it certain that in a conflict in the Pacific the Netherlands would not stand alone. It therefore drafted a scheme for defense forces which could, in expectation of outside aid, absorb the first shock of an attack. A naval bill based upon this report aroused the public to an intense interest. A nation-wide campaign against it, largely carried on by the Socialists, met with success. When the bill came up for a vote on October 25, 1923, the opposition won by the scant margin of one vote.

With the introduction of a new naval bill in 1924 the Government proceeded from a different basis. During the discussion of the previous

⁵ Art. 167 of the revised Act of 1925.

bill the Minister of Colonies had laid down three tasks for which the defense force must be prepared: (1) the maintenance of law and order within the East Indies; (2) the maintenance of neutrality in a war in which the Netherlands would not be involved; and (3) the absorption of the first shock of a direct attack. The third objective was now dropped; the new bill called for a navy capable of maintaining neutrality but not of defense against attack. The bill was submitted to the Volksraad for advice and there received much criticism, both from those who were opposed to any defense and those who desired a much more powerful defense. Though the bill received the approval of the Volksraad it was not thereupon submitted to the States General, for the reason, according to a statement of the Minister of Marine before the First Chamber, "that the work of Geneva renders undesirable a definite plan of defense extending over a number of years."

The home Government finally laid down certain principles of defense and in the spring of 1927 communicated them to the Volksraad. According to this communication the defense force in the East Indies has a twofold function: first, the maintenance of Dutch authority in the archipelago against disorder or insurrection and the assurance of peace and order, and, secondly, the fulfillment of the Netherlands' military duties as a member of the society of nations. The latter task was explained as including coöperation in League military sanctions against an aggressor and the preservation of a strict neutrality in conflicts between other powers. The organization and equipment of the defense forces are based upon the principle that the first task is primarily that of the army, that the maintenance of neutrality in Java is the task of the army supported by the navy, and that in the Outer Territories this is the task of the navy supported at specially vulnerable points by the army. Among the specially vulnerable points outside of Java, Tarakan and Balikpapan, the oil-producing centers of Borneo, are named. The home Government had sent this communi-

* "Verdedigingsstelsel van Nederlandsch-Indië." *Encyclopaedie, Aanvullingen*, p. 591. See also article by General Bakker, "The Defence of Netherlands Indies," *Asiatic Review*, XXV, 421-432.

cation to the Volksraad only for the latter's information, but the Volksraad passed a resolution stating that the home Government ought not to formulate concrete plans based upon these principles without first asking the Volksraad's advice with respect to them.

The principles of defense came up for extended discussion in the session of 1929-30, when the Government submitted concrete plans based upon these principles and included an item in the budget for the initial steps for the execution of these plans. While the Volksraad gave its approval to the item, it clearly revealed its dissatisfaction with both the procedure of the home Government and the defense principles. A resolution was passed petitioning the States General that the principles of defense and also the chief principles of the organization and division of labor of the defense force be regulated by law.⁷ A second resolution of even greater significance was passed by a very large majority. The Volksraad declared in this resolution that whereas the defense forces of members of the League of Nations must be organized in relation to the formation of an eventual world force for the maintenance of international peace and order, it requested the home Government to submit carefully elaborated defense plans to the Council of the League of Nations for its advice.

The specific naval construction plan adopted by the Government called for the construction of one cruiser, four torpedo-boat chasers, and six submarines, whereby the total seagoing fleet would be increased to three cruisers, twelve torpedo-boat chasers, two flotilla leaders, and eighteen submarines. While the Manchurian affair aroused Dutch fears for the safety of the Indies, it did not at once lead to a hastening of the execution of the naval construction plan. In fact the execution of the plan was delayed. The world-wide depression hit the Indies with terrific force and the Dutch Government was caught between two conflicting desires, namely, to follow a conservative, deflationary fiscal and financial policy, and to increase the defense forces of the Indies. Until 1936 the desire for economy prevailed. Sev-

⁷ The object of this was in part to remove the matter from the control of the Minister of Colonies and the Ministry.

eral commissions were appointed to examine the possibility of reducing defense costs. A commission, headed by former Governor General Idenburg, was appointed in 1933 to draft recommendations for a reduction of Netherlands and Indies defense costs by 30,000,000 florins and still later another commission examined the possibility of reducing expenditures for defense by dropping cruisers and strengthening the air force by increasing the number of bombers, which were suggestively called "air cruisers." However, this commission, naval experts, and Defense Minister Colijn concluded that cruisers could not be dropped from the program, and in 1933 the construction of a cruiser was finally begun. During this period the strength of the professional army was allowed to drop from 37,000 to 31,000, with many soldiers withdrawn from service with the army for police duty.

In 1936 there occurred a sharp reversal of policy. The deflationary financial policy was abandoned and a program for increasing armaments both at home and in the Indies was adopted and vigorously pushed. A number of factors contributed to this shift of policy. Economic conditions in both countries had much improved and the financial situation of the two governments strengthened. The failure of the disarmament movement, the conquest of Abyssinia, the failure of the League sanctions, and the increased tension in world politics were all contributing factors. Whereas previously there had been much opposition to armament programs in both the States General and the Volksraad, the defense program was now supported by all groups. The defense budget for the Indies alone for 1937 was increased by 47,000,000 florins. Previous to 1936 public opinion checked the Government's desire to increase armaments; after 1936 public opinion far outran the two governments in zeal in this matter. There were demands for immediate and adequate armament, regardless of costs or technical possibility of execution. The Dutch Government took the position that problems of personnel supply and financial consequences had to receive full consideration.⁸

⁸ On the defense policy of the last few years see the articles by A. A. I. Rutgers in *Antirevolutionary Staatkunde*, Vol. 13, 1937, pp. 1-15 and 529-539.

As the world situation became progressively worse and the Dutch began to realize that they could not be certain of outside aid should the Indies be attacked, an insistent demand arose for the construction of large battleships. The Netherlands Government finally yielded to this demand. In August, 1939, it announced that it would submit to the States General a plan for the construction of three battle cruisers of 27,000 tons each, at a cost of 71,000,000 florins each. The proposal also provided for the construction of one tanker, twelve fast 100-ton submarine chasers, and a drydock. The entire program called for an expenditure of 283,000,000 florins and the completion of the program was set for 1944, when tension in the Pacific was expected to be at its highest because of the approaching withdrawal of the United States from the Philippines. The proposal was approved by the Volksraad on April 29, 1940. Shortly afterward occurred the German invasion and occupation of Holland, throwing into uncertainty not only the future of the naval construction plan but also the future status of both Holland and the Indies.

While the Indies has its own land force, the navy is an institution of the empire. This raises the difficult question of the distribution of naval costs among the various parts of the empire. There has been much discussion about what is a proper division of costs. There has been a general feeling in the Indies that the Netherlands was not bearing a large enough share of the cost and in 1932 the Volksraad passed a resolution requesting of the home Government a more favorable division of the defense burden.

Before 1918 the East Indian army was composed exclusively of professional soldiers, most of whom were natives. The experience of the World War led the Government to see the desirability of introducing the principle of compulsory military service. An ordinance for universal compulsory military service was placed before the Volksraad in 1918 for the purpose of ascertaining its views. This project, which called forth divergent views, was, however, dropped. The conservative European section of the press and population saw a danger in arming a people among whom there was a rapidly rising nationalist

movement. Certain of the nationalist papers hailed it with approval as a necessary preparation for independence. Other nationalist journals, however, opposed it on the ground that the Indonesians ought not to be required to fight for the interests of the capitalists and the alien rulers.⁹ As the ordinance was finally issued in 1923, the obligation of militia service was imposed upon Netherlanders only. Indonesian members of the Volksraad, whether moderate or extreme nationalists, press the Government for the extension of the militia service obligation to natives. The Government counters these repeated requests with the statement that a native militia is too costly. All Netherlanders, inhabitants of the East Indies, regardless of whether they have served as volunteers or have put in their service in Holland, are subject to militia service between the ages of 18 and 32, after which they pass into the *landsturm* for another 13 years. The first period of training varies from five and a half to eighteen months. This gives an annual training contingent of about 700 to 800 men and a total militia force of about 8000 to 9000 men. They are used for both the army and the navy. In addition to militia there is the professional army based upon voluntary enlistment. The professional army now probably numbers 35,000 men. Of this number between 5000 and 6000 men are sent out from the Netherlands, in addition to about 1000 officers. Since 1913 the Royal Military Academy in Holland has been open to Indonesians for the training of officers, but only a small number have availed themselves of this opportunity.

The total military expenditures of the East Indian Government for 1929, including the cost of pensions, were about 140,000,000 florins. The economic depression necessitated tremendous reductions. The expenditures of the Department of War alone were reduced from 76,000,000 florins in 1929 to about 50,000,000 florins in 1933. Since 1936 appropriations for defense have steadily mounted. For 1940 the

⁹ See Winter, "Militieplicht in Nederlandsch-Indië, ook voor de inheemsche bevolking," *Indisch Genootschap*, 1923, pp. 37 ff., for a plea for compulsory military service for natives. In the navy the ratio of Europeans and Indonesians was formerly 50-50, but after the mutiny on the *Zeven Provinciën* in 1933 the percentage of Indonesians was reduced to 30. The Volksraad in 1936 passed a resolution by a vote of 27 to 26 demanding the restoration of the old ratio.

Indies appropriation for the army and navy was 126,000,000 florins. The expenditures have in part been met by a special export tax for defense purposes.

During the depression there was considerable controversy over the division of the defense costs. In August, 1932, the Volksraad voted to remove two items from the defense budget for 1933, one providing an appropriation of 1,457,400 florins for the East Indian share of the cost of constructing the third cruiser, and the second an appropriation of 592,000 florins, which was an item for defraying the costs of 333 men retained in the Netherlands. By this action the Volksraad forcefully indicated its disapproval of the magnitude of the appropriations for defense and its insistence upon a more favorable distribution of defense costs. The general principle arrived at after some years of discussion is that the contributions will be made dependent upon the relative ability of each part of the empire at the moment. The cost of the construction of the three large battle cruisers was to be met entirely by the Netherlands Government, and the cost of enlarging the harbor at Surabaya was to be borne by the Indies Government.

Chapter XX

WORLD POLITICS

MOST OF the factors in the position of the Dutch East Indies in world politics are readily discernible but not easily weighed. The importance of the East Indies in world economy, both as a producer of raw materials and as an investment colony, the international position of the mother country and its military weakness, the geographic and strategic position of the East Indies in the event of a conflict in the Pacific, its relation to each of several Asiatic countries with respect to which for one reason or another it stands in a peculiar position—these are some of the factors in the situation. Add to this a rapidly rising nationalist movement and the general uncertainties of the whole Pacific situation, and the hazards of laying down any predictions become apparent.

GEOGRAPHICAL POSITION

The East Indies archipelago lies off southeastern Asia on the direct water route from Europe, the Near and Middle East, and Africa to the Far East. It also lies on the direct route from India, British Malaya, China, Japan, and the Philippines to Australia and New Zealand. Numerous important trade routes thus converge on the Indies islands. Projecting downward toward the heart of the dependency is the Malay Peninsula with the great commercial center and naval base of Singapore, which is only 36 hours' sailing and 5 hours' flying distance from Batavia. The port of Paulau in the Japanese mandated territory is only 450 miles from New Guinea. The East Indies lie within the defense triangle, Singapore, Hong Kong, and Port Darwin.

ECONOMIC FACTORS

The Dutch East Indies are important in world economy as the supplier of a large part of the world's total production of important commodities, such as rubber, tin, oil, copra, vegetable oils, sisal, tea, coffee, and sugar. Some of these commodities stand high in percentage of

world production: rubber, 37 per cent; tin, 18; copra products, 28; oil-palm products, 18, pepper, 85; and quinine, 90. The East Indies is now also producing nickel and increasing quantities of bauxite. In 1937, 20 per cent of the country's exports went to the Netherlands, nearly 19 per cent to Singapore, 19 per cent to the United States, $5\frac{1}{4}$ per cent to Great Britain and Ireland, and $4\frac{1}{2}$ per cent to Japan. The United States is the largest importer of East Indies rubber and of palm-oil products. It is reported that the Japanese oil imports from the East Indies constitute about 30 per cent of her total oil supply. The chief countries of origin of East Indies imports were as follows: Japan, 25 per cent; Netherlands, 19 per cent; United States, 10 per cent; Germany, $8\frac{1}{2}$ per cent; Great Britain and Ireland, 8 per cent; and Singapore, $7\frac{1}{2}$ per cent.

With respect to mineral resources the significance of the Dutch East Indies for the present is due to the presence of large quantities of tin and lesser quantities of oil. It is one of the few countries with large tin deposits. According to a leading authority, "unceasing efforts have been made to find tin outside of the great resources of Malay, Dutch East Indies, Siam, Bolivia, and Nigeria. Hundreds of localities have been carefully investigated, and special bonuses have been offered by governments, without success."¹ The production of oil is at present relatively not large, and while it is likely to increase, its relative contribution to world demands will probably remain about the same.² The East Indies has large deposits of medium-grade iron ore, but practically no coking coal. It has large quantities of coal, but this is of low to moderate heating value. While the iron and coal deposits may have importance for the distant future, their significance at present is not great.³

¹ Leth, *World Minerals and World Politics*, p. 26.

² *Ibid.*, p. 36.

³ Leth sums up the situation as follows: "If the coal of northeastern China could be brought together with the high-grade iron ores of India and possibly with the iron ores of the Philippines and the Dutch East Indies, a large industrial advance might be possible. The distances might not prove insuperable obstacles in these days of improved transportation. . . . But the political difficulties are not likely to be surmounted for a long time to come. The role of the Far East is therefore likely to remain essentially that of a contributor of a few minerals from scattered sources to the North Atlantic industries and controlled from these sources. . . . Nevertheless it should be noted that the pooling

The East Indies is also an important investment colony. The amount of foreign capital (including Dutch) is estimated at between one and a half and two billion dollars. Of the foreign capital invested in agriculture, it has been estimated that 75 per cent is Dutch, 13.5 per cent British, 5 per cent Franco-Belgian, 2½ per cent American, 1 per cent German, and 1 per cent Japanese. Nearly all the foreign capital invested in the Javanese sugar industry is Dutch and if the investments in this industry are excluded the Dutch falls to 60 while that of other nationalities rises somewhat. On the other hand the Dutch hold most of the East Indies public bonds. An American company produces a third of the petroleum output of the East Indies, while Dutch-British and mixed Dutch and East Indies Government companies produce the remainder.*

A factor of importance in the general situation is the sparse population of the vast areas of the Outer Territories, in a region of the world which contains many overpopulated countries. As a matter of fact the East Indies already attracts considerable numbers from these countries and has served for some time as an outlet, however small, for their surplus populations.

CHINA AND THE DUTCH EAST INDIES

From the point of view of world politics the most important as also the most uncertain factor is the presence of a million and a quarter Chinese. The Chinese came to the East Indies even before the Dutch and have constituted an important part of the population throughout the Dutch period. Until a few decades ago they had no cultural or political aspirations. They asked only for an opportunity to improve their economic position, and in this they met with no opposition from

of the mineral resources of all the Far East, such as they are, would probably do more toward physical betterment of the Far Eastern peoples than any other commercial measure now in sight. The problem is a large and difficult one, both commercially and politically. Commercial interests are already studying the problem and are even making moves toward cooperation. On the other hand, the political movement just at present is toward disintegration." *Op cit.*, pp. 71-72. See also article by Bain, "Singapore's Control of Key Mineral Resources," *Foreign Affairs*, VII, 667-669.

* Van Gelderen, *The Recent Development of Economic Foreign Policy in the Netherlands East Indies*, London, 1939.

the Dutch, for the Dutch found their presence necessary for the exploitation of the islands. Their interests complemented each other, as the Chinese served as the trade intermediaries between the natives and the Dutch. They also served as laborers in the tin mines of Banka and Billiton and on the large European plantations of Sumatra's East Coast. The Chinese constitute about 75 per cent of all the immigrants. In the prosperous years immediately preceding 1930 the number of Chinese immigrants was very large—41,157 in 1928 and 36,000 in 1929.

In Java the East Indian-born Chinese far outnumber the immigrants, but in the Outer Territories the reverse is true. Most of the Chinese born in the East Indies are Indo-Chinese, since until recent years women were not found among the immigrants. In spite of the fact that the Indo-Chinese have lived in the East Indies for centuries and are the descendants of forebears who for many generations absorbed native blood through marriages with Indonesian women, they remained Chinese in family life, religion, and customs, though the language was often lost in the first generation. Some differences between the pure Chinese and the Indo-Chinese naturally developed, but both have remained a people apart.

Some time after China had been opened to trade by the Western powers in the 19th century, the Chinese Government began to see in her colonies abroad instruments of great usefulness, and a new policy toward them was adopted. The repeated and increasing demands of the Western powers for measures furthering the protection of their nationals in China probably had much to do with this change of policy. The colonies abroad were now used for purposes of counter-demand and counterpressure, and of getting at the international relationships and resources of the foreign powers. And when finally China awoke to a realization of the superior Western technique over material resources and political organization she was quick to see that in those colonies were supplies of energy, knowledge, technical development, and great resources of capital—all of which she bitterly needed in her struggle with the West, and which in spite of her past policy of indifference were still available.

The repeal in 1894 of the emigration prohibition and the pardoning of the émigrés for leaving their country and the graves of their ancestors was one of the first acts of this new policy. This was shortly followed by measures seeking to bind the colonies more closely to the mother country. Numerous governmental missions were sent to them, often transported on a warship or a fleet of warships. These missions were very successful in inspiring a renewed loyalty in the émigrés. Institutions with a marked political color were set up in the colonies and from these centers emanated official Chinese influence. Two of the most prominent of these institutions were the school society, *Tiong Hoa Hwee Koan*, and the trading society, *Sang Hwee*. Several elementary and secondary schools were established in China, supported by government and private funds, to which the colonists were invited to send their children. From the colonies streams of gold flowed to the mother country—funds for the Chinese navy which was to give the colonies permanent protection and funds for railroad, harbor, and dyke construction in the homeland.⁵

It was this change of policy of the mother country toward colonies of her nationals in foreign states, the renewed loyalty which it inspired in the émigrés, and the increasing sense of unity and nationalism among the Chinese everywhere that brought the Chinese question to a head in the East Indies about 1910. For an understanding of the question as a whole it is necessary to turn to the conditions in the East Indies which were in large part responsible for the acute development of the problem. The East Indian Company had been interested in trade only; political administration was far from its original purposes. It therefore left the Chinese, just as it did the natives, under their own heads. Leaders, generally important tradesmen, were selected to govern each Chinese community, and these officials were given the military title of lieutenant or captain, and later of major. The Company, and later the Government, transmitted its orders to the Chinese notables for execution, and these officials kept the Government informed of what was going on in the communities. These officials

⁵ Moll, "De Chineezzen in Nederlandsche Indies," *China*, July, 1929, pp. 110 ff.

served as petitioners, confidants, and representatives of their group, while at the same time they filled a semiofficial position. It was thoroughly a let-alone policy on the part of the Government so long as peace and order prevailed in the colony. But such a policy was necessarily also one of neglect, and increasingly took on that color as more positive conceptions of governmental functions came to prevail.

Under the East Indian Government Act of 1848 foreign Orientals were placed on the same footing as natives. This assimilation to the natives was not altogether without advantages to the Chinese, for under it they retained their own customary law, so far as it was not in conflict with generally recognized principles of fairness and justice.⁶ The East Indian Government Act of 1855 considerably limited the application of their customary law when it declared the Dutch civil and commercial law, with the exception of family law and the law of inheritance, applicable to all foreign Orientals in Java and Madura, and this was later successively extended to all parts of the East Indies. But this legal assimilation had its disadvantages, which as the Chinese developed and acquired more national consciousness became constantly more distasteful, while the retention of their customary family and inheritance law was less and less appreciated. Foreign Asiatics were tried before the same courts as the natives and to them was applied the same procedural law, including criminal law pleading, while Europeans and those assimilated to them were tried by European courts, with a much greater procedural protection.⁷

The judicial organ which was the special object of Chinese dislike was the *politie rol*, a court having jurisdiction over minor offenses and hearing preliminary examinations. The local civil service officer served as the judge, in violation of the principle of the separation of the

⁶ It must not be assumed that this judicial dualism had its origin in racialism and the spirit of conquest; rather it had its origin in a sense of difference of need, together with impotence on the part of the Company and a desire not to penetrate native society.

⁷ A good description of former Chinese grievances in the East Indies can be found in P. H. Fromberg's *Verspreide geschriften*. Fromberg, an East Indian Supreme Court judge, was known as the great friend and champion of the Chinese in the East Indies. A Chinese student society in the Netherlands, *Chung Hwa Hwee Tsa Chib*, collected his writings and published them in the volume cited above.

executive and the judiciary. It was a court, according to Fromberg,⁸ "deeply penetrating into the life of the people, in which an administrative official as chief of police, without obligation to hear witnesses, and, if he hears them, without obligation to place them under oath, sentences in accordance with his finding of the facts, with an immediate execution of the sentence, which originally was not suspended even when an appeal was made for pardon." Often acts were punished "which were punishable under no law." "Cases were brought before the *politie rol* which dared not be brought before the *landraad*."

The *landraad*, the intermediate court for natives and foreign Asiatics, was and still is an object of criticism. In Java this court is composed of a jurist, most generally a European, as chairman; two native active or pensioned officials, a native officer of justice, a Chinese adviser, and a clerk. The nonjurist character of the laymen and their recruitment from the official class subject this court to much the same criticism as was brought against the *politie rol*. Preventative confinement is often applied to Chinese and natives on a broad scale, and there is sometimes also a long confinement before trial. In house search and criminal pleading the Europeans have far greater protection against arbitrary action.

The Chinese had yet other grievances. In principle they could live only where there were Chinese quarters, and within the quarters. Nor could they travel about freely. For every trip the Chinese merchant made he had to obtain a pass from Government officials. The Government held that segregation was necessary to exercise control over them and to enable it to protect both Chinese and natives. Nothing was done for the education of Chinese children. An article in the East Indian Government Act of 1855 charged the East Indian Government with the duty of providing schools for native children, but this article was interpreted not to apply to children of people assimilated to natives. No subsidies were given Chinese schools, and Chinese children were permitted to enter the lower native schools only if there was room for them; likewise they were admitted to the lower European schools only if there was room for them and if they knew suffi-

cient Dutch to follow the instruction, and upon payment of higher school rates. Chinese were excluded from even the lower positions in the Government service. They were treated as foreigners, and yet had not the advantages of other foreigners since there were no Chinese consuls in the East Indies to look after their interests.

Nor were conditions at once much improved with the beginning of the "ethical" colonial policy, for under it the welfare of the natives received first consideration and the Chinese were thought to be inimical to the welfare of the natives. Many officials interpreted their duty of protecting the natives as necessarily meaning baiting the Chinese, for the latter had an unsavory reputation. They were accused of exploiting the natives and of dishonesty in trade with Europeans. The Chinese not infrequently improved their relations with the officials by handsome gifts on New Year's and other festival days. There undoubtedly was much exploitation of the economically weak natives, but this was certainly not a practice monopolized by the Chinese. Suggestions were made that legislation be passed to classify all Chinese born in the East Indies as natives and to prohibit the right of acknowledging illegitimate children by native women. The latter would automatically greatly reduce the number of persons coming under the classification of Chinese, and facilitate their absorption in the native society.

The year 1900 was a significant year for the Chinese movement in the East Indies as well as in China. The year of the Boxer Rebellion was marked in Java by several governmental acts of far-reaching importance for the Chinese. The system of farming out the sale of opium was abolished and a government monopoly instituted instead; the decision was made to extend the government monopoly of pawning throughout the East Indies; and in this same year the Government began its system of agricultural credit banks with the object of furnishing cheaper credit to the farmers and rescuing them from the clutches of the usurers. All these measures affected the Chinese injuriously, for they took away the business of many and set up institutions competing with the business of others.

It was at this juncture of events that the Chinese, encouraged by the interest which the Chinese Government now began to manifest in them, actively began to assert themselves to improve their position. Education and the press were the chief means employed. School societies were organized and schools opened. Preference was expressed for Dutch as the language medium, but since the school societies could not afford the high-salaried Dutch teachers English was chosen, for the reason that Chinese instructors could be cheaply obtained from Singapore, and in addition English had the advantage of being the commercial language of the East. The Chinese press in the Indies strengthened the unity and national consciousness of the Chinese and pressed their grievances with the Indies Government. "The Chinese in the Indies," so wrote the press, "are step-children neglected by the Indies Government, but again recognized by their own father, China, who, asleep all these years, is awakened."⁹

This interest of the Chinese Government in its nationals in the Indies reflected itself in many ways, some of which were very obnoxious to the Dutch Government. As early as 1887 the Chinese Government sent a committee to the Indies to study the commercial relations of China with the Indies. Permission to send the mission was obtained through the regular diplomatic channels by way of The Hague, and the East Indian Government received the committee as travelers from a friendly state.¹⁰ In 1891 the Peking government requested permission to collect funds among Chinese in the East Indies for flood sufferers in China.¹¹ In 1906 a Chinese official made a protracted visit to Java for the purpose of bringing about greater uniformity among Chinese commercial societies. In the same year an imperial official, inspector of education at Nanking, made a visit to the Indies to bring Chinese schools abroad into greater conformity with the schools at home. In 1907 the Assistant Secretary of the Department of Agriculture at Peking, Yang Shih Tshi, visited the Indies

⁹ Fromberg, *op. cit.*, p. 425.

¹⁰ Van Ginkel, *Overzicht van de internationaal rechtelijke betrekkingen van Nederlands-Indië, 1850-1922*, p. 42.

¹¹ *Ibid.*, p. 52.

to study commercial problems, and as a result of this visit many addresses and petitions were sent to Peking from the Chinese in the Indies.¹² In 1908 Wang Kang Ky, secretary to the Chinese legation at The Hague, traveled in the Indies for several months. At Surabaya he held a semiofficial census and recommended that Chinese residents in the Indies choose between Chinese or Dutch nationality. Two Chinese cruisers appeared in the harbor of Batavia in 1909 carrying Wang Ta Cheng, secretary of the Department of Education, who spent some time in Java for the alleged purpose of studying commercial conditions. In 1910 Chao Ts'ung Fan, adviser to the Department of Agriculture, Industry, and Trade, came for the same purpose. In 1913 the newly appointed minister to The Hague, Wei Ch'en Tsu, on the way to his post, traveled through the Indies.¹³

Official visits were not the only forms in which the rapprochement between motherland and colonies expressed itself. Chinese in the Indies were honored with decorations and membership in Chinese orders. Directors of important commercial societies in Java were invested in office from Peking. Scholars were selected from the society schools to go to China for further study at the expense of the Chinese Government. Chinese warships on their calls at Indies ports were received with great festivity, and on Chinese holidays there was a riotous display of flags. In 1911 the *Siang Hwee* at Surabaya and Djokjakarta and other places sent out ballots for the election of members of the provincial council at Canton. When questioned about this, the Chinese Government explained that Chinese abroad intending to return could vote. In 1912, the *Siang Hwee* in India sent a committee to Peking to participate in the election of six "overseas senators" who were to represent the Chinese abroad in that body.¹⁴ And the Chinese in the Indies contributed liberally in men and money to the cause of the Republican Revolution.

¹² *Ibid.*, p. 74

¹³ *Ibid.*, p. 75

¹⁴ Knobel, "Koloniaal bestuur in verband met buitenlandsche zaken," *Vragen van den Dag* (1915), XXX, 684 ff. The Republican Constitution promulgated on August 10, 1912, provided for six senators to be elected by an electoral college composed of representatives of the Chinese Chambers of Commerce abroad.

These movements and events were probably not without influence on the East Indian Government in improving the conditions and status of the Chinese. In 1904 a relaxation was made in the pass system; passes were no longer limited to a specific trip, but were made valid for a year. A further relaxation was made in 1910 when passes were no longer required of foreign Asiatics for travel in Java and Madura between the main business centers and markets and along the main highways, and Chinese heads and leading Chinese of good repute were freed from the system altogether. Greater freedom of residence was granted the same year, and further relaxations in both pass and segregation regulations were made in 1914, 1915, and 1916. Chinese were admitted to native schools on the same basis as natives, and the erection of Government schools for Chinese, the so-called Dutch Chinese schools, was begun in 1908, and in 1909 private Chinese schools were granted Government subsidies. Fear of Pan-Chinese nationalist education in the private schools probably caused the Government to hasten the opening of the public schools. Provision was made in 1908 for suspension of sentences before the *politie rol*, pending appeal for clemency or pardon.

By a legislative act of 1907 the way was opened to individuals for voluntary assimilation to Europeans. Foreign Asiatics previously subject to their own customary law and native courts could voluntarily subject themselves to European civil and commercial law with the right to be tried before the European courts. But the conditions attached to voluntary assimilation, which included a speaking knowledge of Dutch, the possession of a certain amount of property, the equal division of property among the children, and the obligation of military service, were repugnant to the Chinese. Few of them accepted voluntary assimilation. The nationalist Chinese wanted not assimilation, but an improved status as foreigners, such as that enjoyed by the Japanese.¹⁵

On the question of Chinese consular representation there was diplomatic fencing for several years, the underlying issue being whether

¹⁵ See MacNair, *The Chinese Abroad*, p. 108.

the Chinese or the Dutch principles of nationality should prevail, for China followed the principle of *jus sanguinis* in its most extreme form. The Netherlands had obtained a most-favored-nation-clause treaty with China in 1863, giving it the right of diplomatic and consular representation and giving Dutch subjects the right to travel in China without passports. Nothing was said in this treaty of the rights of Chinese subjects in the Netherlands or possessions.¹⁸ A consular convention with Japan had been concluded in 1908, providing for mutual rights of consular officials in each other's territory. This aroused the envy of China, which now made strong demands for a consular convention. The Netherlands Government realized that, with the support of the Chinese in the East Indies, China could no longer be put off, but before granting the convention it wished first to establish the question of Dutch nationality in order to withdraw as many Chinese as possible from consular protection. The activities of the Chinese Government in seeking to exercise control over the nationalistically awakened Chinese in the Indies had caused alarm.

There were additional reasons for new and clarifying legislation on Dutch nationality, for there was some uncertainty about the matter and controversy about it with other states had developed. The nationality concept was not clearly kept in mind in the East Indian Government Act of 1854, in which all persons living in the East Indies were termed "inhabitants." As a qualification for Government service the act demanded Dutch citizenship, and referred to the laws of the kingdom for the definition of such citizenship. Of these laws there were two, one of which regulated public law citizenship, and the second, civil law citizenship. Under the first citizenship were included all persons born in the Netherlands and their descendants. The latter could not lose their citizenship by residence in Dutch territory outside of the kingdom in Europe. Thus the descendants of Dutch citizens born in the East Indies remained Dutch citizens. Under the civil law citizenship were included all persons born in the kingdom and the colonies, of parents vested there; natives and Chi-

¹⁸ *Hertslet*, I, No. 70.

nese born of parents vested there were specifically included. Natives and Chinese could therefore carry on civil law processes in Holland as Dutch citizens, a right they did not enjoy in the Indies. A law of 1892 put an end to this duality of citizenship¹⁷ but did nothing to clarify the status of natives and of the children of foreign Asiatics vested in the East Indies. Article 12 of the Act even designated them as foreigners; at best they were to be regarded only as inhabitants or residents of Dutch territory, which made their status abroad uncertain. East Indian Chinese in Siam, who as Chinese enjoyed no extraterritorial rights, wished to pass as Dutch subjects and thus obtain withdrawal from the Siamese courts and the special tax system there applying to Chinese. There was also much uncertainty concerning the right to protection of a large number of Javanese who were employed in the Straits Settlements and the Federated Malay States.¹⁸

The law of 1910 dropped the classification of Dutch citizens and foreigners, and substituted for it that of citizens and subjects. The law adopted the principle of *jus soli* and declared that all children born of parents vested in the East Indies were Dutch subjects even if not Dutch citizens. The status of Dutch citizens would be lost through naturalization in a foreign state, marriage with a foreign man, government or military service under a foreign state without consent of the Governor General, and by sojourn in a foreign country without registration with a Dutch consular official within three months of arrival, and, in case of continued sojourn, failure to register within the first three months of each calendar year.¹⁹ Fromberg criticized the law on two grounds: first, that it sought to put under Dutch jurisdiction as many as possible of the inhabitants within the country, and secondly, that it allowed the status of subjects to lapse as quickly as possible when the subjects were outside of Dutch territory.²⁰ The law does have the aspect of forced naturalization and must frequently work a dual nationality, for no person born of parents vested in the East Indies is exempt and no provision is made for repudiation upon attain-

¹⁷ *Nederlandsch Staatsblad*, No. 268, 1892.

¹⁸ *Indisch Staatsblad*, No. 296, 1910.

¹⁹ Fromberg, *op. cit.*, pp. 432 ff.

²⁰ *Op. cit.*, pp. 440 ff.

ment of majority. The requirement of repeated registration was very unfair to the natives abroad, especially when they were employed at some distance from a consulate; and, as might be expected, many failed to register. This defect in the law was removed in 1929, when the law was revised to exclude the indigenous people of the East Indies from this provision.²² The law was a distinct disappointment to the East Indian Chinese, for it conferred no rights, benefited them little, and withdrew them from the protection of the Chinese consuls.

A consular convention with China was signed on May 8, 1911. China objected strenuously to the Dutch nationality law but had to accept it as the price for the right of consular representation in the East Indies. By a subsequent exchange of notes it was agreed that for the application of the treaty East Indian legislation would be conclusive in determining Dutch or Chinese nationality.

Having won from the Chinese Government recognition of the right to exercise authority over Chinese born in the Indies, the East Indian Government sought to win the good will of its Chinese subjects by successively removing the remaining grievances. As a result of the complaint of the Chinese Trading Society at Semarang, Java, to the Chinese Minister for Foreign Affairs, the two governments in 1912 exchanged notes on the subject of the *politie rol*. In 1914 this hated court was abolished and the *landgerecht*, a court of first instance jurisdiction over members of all races in cases of minor offenses, was set up in its place. The whole European law, with a few exceptions on inheritance and family law, was made applicable to the Chinese in 1919. These exceptions, including the right of adoption, a right unknown to the Dutch law, were concessions to the peculiar customs of the Chinese in these matters and really gave them a privileged position. Their grievance with respect to the system of justice is that they are still tried by native courts after a preliminary examination by a *djaksa*, a native officer of justice, and have less protection against house searches. The fact that the Japanese come under the category of Europeans (since 1899) offends Chinese national pride. The an-

²² *Indisch Staatsblad*, No. 294, 1929.

nouncement of the Chinese government that it would introduce law codes based on Western principles in 1930 was the occasion for a statement from the East Indian Government that a bill was being prepared for introduction in the next colonial legislature with the object of placing Chinese on the same legal footing as Europeans and Japanese. The Government, however, was not able to fulfill this promise, owing to the critical condition of the East Indian budget. The relation between the *Sinkhehs*, or Chinese subjects, and the *Peranakans*, or Indo-Chinese, is so close that if the Government grants to *Sinkhehs* the right to be tried before European courts, it cannot withhold the same privilege from the *Peranakans*. The measure would require the creation of many new courts to take care of the Chinese population, which is five times as large as the European population. The measure when ultimately passed may have far-reaching influences on native society, for granting Chinese equality with Europeans will be an unpopular measure with Indonesian nationalists.

The need of expert advice on Chinese affairs was keenly felt by the Indies Government in the years following 1900, and to supply this need a Bureau of Chinese Affairs was established. The personnel of the Bureau undergo a long period of preparation in both China and the Indies, and are thoroughly acquainted with Chinese society.²² The Bureau, which keeps in close touch with movements in China and in the Chinese community in the Indies, furnishes information and advice to all branches of the Government, prepares a bimonthly report on the Chinese and Chinese-Malayan press in Netherlands India, and gives special attention to Chinese schools. To assist with advice, in these matters, the Governor General has the services of an expert in international law.

Politically the Chinese hold a favored position in the Indies. Representation in all the legislative bodies is communal, and the Chinese

²² Preparation may even be begun in Holland, as the University of Leiden is one of the leading centers of Chinese studies in Europe. In January, 1931, there was opened at Leiden a Sinological Institute, a privately endowed institution attached to the University. Dr. J. J. L. Duyvendak, Professor of Chinese at the University, is Director. The Dutch have long had a keen interest in China. An excellent monthly journal, *China*, has been published for some time.

hold pivotal positions in all these bodies. Of the 61 members of the Volksraad no fewer than three and no more than five may be Chinese, and they hold about the same relative number of seats in the provincial, regency, and municipal councils. Since the other seats are about equally divided between Europeans and natives the Chinese hold the balance of power in all these bodies. For a few years after 1918, when the Volksraad was established, there was a group of Chinese who opposed Dutch citizenship in any form, and opposed accepting representation in the Volksraad. Though many of these were Indo-Chinese of the third and fourth generation, they talked of being in the Indies only temporarily. This group wanted the rights of Europeans and also the retention of the status of Chinese citizens. This group has about disappeared.

The question of military service has been a bone of contention in the past. All Europeans and those assimilated to them, if Dutch subjects, are under the obligation of military service; but the Chinese wanted assimilation without the obligation of military service. Most of the Chinese who had accepted voluntary assimilation never answered the call to service, but the Indies Government never pressed the matter. For practical reasons the Chinese will probably be assimilated without obligation of military service. The Chinese outnumber the Europeans five to one and it might be dangerous to take into the army such a large uncertain quantity. Great certainty of reliability is wanted in the event of a crisis.

The removal of most of the grievances of the Chinese has by no means solved the Chinese question. There is still a strong Chinese nationalist sentiment, although there is among the Indo-Chinese a tendency to align themselves on the side of the Indonesian nationalists. Many Indo-Chinese, however, are unable to make up their minds whether their interests lie on the side of the Dutch or the natives. The Chinese are disliked by the natives, who resent the Chinese superiority complex, and moreover, their interests under a native-controlled government might not receive as favorable consideration as they do now. Indo-Chinese can be found who are more loyal than the King.

They are also more and more being oriented toward Dutch culture. Very large numbers receive their higher education in the Netherlands.²³ While in Holland they are quite ardent Chinese nationalists,²⁴ but upon their return to the Indies they increasingly attach themselves to the Europeans, both because they now feel more at home with them and also for protection of their interests against the natives and Indonesian nationalists. Very few Indo-Chinese have a speaking or reading knowledge of Chinese.

But among the immigrant Chinese and also among large numbers of Indo-Chinese there is a very active Chinese national sentiment which expresses itself in forms that cause the Indies Government no little trouble and concern.²⁵ For a while about 50,000 Chinese immigrants came into the Indies each year, and as most of the Chinese in the Indies come from the provinces near Canton, they tend to be strongly nationalist. The Chinese schools recruited large numbers of teachers from this region, too, and these have done much to awaken Chinese nationalist sentiment. There is much propaganda originating in China; the *Kuo Ming Tang* controls a considerable press in the Indies. Events in China are closely followed, and when China has a grievance, the Chinese press in the Indies reflects it. There are well-disciplined branches of the *Kuo Ming Tang*, such as the *Sol Po Sia* or reading clubs, the Ten Men League, the Boycott Pickets, and the Iron and Blood Brigades. Fortunately for the Indies Government the Chinese mentality is little inclined to transfer abstractions into deeds. But overt acts were not lacking. When Canton was still revolutionary, Chinese conflicts were transported to the Indies and some disturbances broke out. The boycott against Japan was observed with varying degrees of rigidity in different parts of the Indies, and in some

²³ The Chinese students in the Netherlands are united in an active society, *Cbung Hwa Hwee Tsa Chib*, with a bimonthly organ, *Cbung Hwa Hwee*.

²⁴ The officers of the Chinese society mentioned in the preceding note and the officers of the strongly nationalist Indonesian student society, *Perhimpunan Indonesia*, in 1931 began the practice of holding a combined meeting every two months.

²⁵ In the large Chinese colony in western Borneo a Young Chinese party, which sought union with the Chinese Republic, and which also sought to win the Dayaks (the indigenes of Borneo) to their cause, started a movement which required military action for its suppression.

places was maintained through terrorization.²⁶ The Sino-Japanese conflict of 1931-32 caused a new wave of anti-Japanese feeling to run through the Chinese community. The Government warned several Chinese papers against articles inciting to violence, and took precautions against outbreaks against the Japanese. Fortunately the Japanese population in the East Indies is small, for otherwise open clashes between the two hostile population groups might break out and events easily cause international difficulties. There is a considerable number of Chinese noncooperators who through press and public meetings clamor for freedom from Dutch citizenship; they want Chinese nationality and yet wish to retain a privileged position in the Indies. But the large mass of Indo-Chinese are loyal Dutch subjects with only a sentimental interest in China. The prolonged turmoil in China has disillusioned many and caused a general decrease of interest in the homeland.

The Chinese in the Indies do not really constitute the danger politically that some make out. They are too practical to continue sending money to China for purely sentimental reasons without some tangible return. They are not militaristic. They are quite willing to let other people hold the cow while they milk it. The Chinese economic threat has also been greatly exaggerated by some. For the most part they are in charge of only second-rate businesses. A few families have large interests, but the old Chinese family morality is still strong and makes successful operation of the limited liability company difficult. Complaints are expressed even in the Chinese press that the Chinese are making disappointingly little economic progress.

The East Indian Government imposes a tax of 150 florins on all immigrants. This is in part aimed at controlling foreign Asiatic immigrants and protecting the natives from too great an influx of labor and the small trading class.²⁷ The attitude of the Indonesian nationalists

²⁶ Difficulties from another direction occurred in 1923 when the Chinese in China extended their boycott of Japanese goods to sugar from Japanese plantations in Java. This caused large quantities of Java sugar to come to New York at the time of high prices in 1923, and helped to bring sugar prices down.

²⁷ This tax was raised from 50 to 100 florins in 1924, and again raised in 1931 to 150 florins.

to the large Chinese immigration is clearly revealed by a resolution introduced by a nationalist member of the Volksraad in 1932 to raise the immigration fee to 250 florins. The European members warned against foreign reactions, and the leading Chinese member pointed out that the export of Java sugar to China might suffer through a retaliatory Chinese boycott. Upon the urgent request of the majority of the members the proposed resolution was withdrawn and a resolution requesting the Government to undertake a general study of the whole problem of immigration was passed in its stead.²⁸

Coolies are still recruited in China for the tin mines in Banka and Billiton, and for the plantations in the East Coast of Sumatra. Most of these are under labor contracts with penal sanction. Most of these coolies return to China upon expiration of their contracts.

The Nationalist government has not forgotten about the Chinese colonies abroad, and its attitude differs little from that of its predecessors. It is demanding a new consular treaty with the Netherlands and demands the assimilation of Chinese to Europeans in the East Indies. The Indies Government has had considerable trouble with Chinese consuls over the registration of Chinese. Every new consul arriving in the Indies receives instructions from his government to register all Chinese in the Indies, Indo-Chinese as well as immigrant Chinese. The Indies Government has sent circulars to the residents to prohibit this practice, and has repeatedly informed the consuls that this was not permissible under the consular treaty. Such protests regularly bring forth the apologetic explanation that a mistake has been made, that they had intended to register only the *Sinkbehs*. A partial explanation for this practice can probably be found in the fact that the Chinese consuls receive their salary irregularly and the registration fees are a welcome source of financial support. Conflicts have also arisen between the Dutch East Indian Government and Chinese consuls over the display of flags on the days on which the Twenty-one Demands on China are commemorated. The East Indian Government has prohibited the display of the consular flag at half-mast on these

²⁸ *De Locomotief*, Overzee editie, August 4, 1932.

days on the grounds that it could not permit within its territory an act which would constitute an offense to Japan, a power with which it is on friendly relations.

The renewal of the war between Japan and China in 1937 had its repercussions in the East Indies. Two hundred Indo-Chinese students stranded in Shanghai were brought home. The Chinese Government immediately called for financial aid from Chinese abroad. The East Indies Government permitted the purchase and sale of Chinese bonds, but it did not permit public action or propaganda for the sale of war loans. The Chinese in the East Indies bought war bonds to the amount of one and a quarter million florins during the first year alone. In addition to this, four and a half million florins were contributed for Chinese relief. As occurred at the time of the outbreak in Manchuria in 1931, the Chinese engaged in extensive boycott of Japanese goods. As a result of this boycott and the inability of Japan to supply the goods because of the shift to war economy, the imports of Japanese goods fell markedly.

THE DUTCH EAST INDIES AND ARABIA

The relations between the East Indies and Arabia are of great importance, for two reasons: the East Indies is predominantly Moham-medan, and thousands of Indonesians make the pilgrimage to Mecca every year; and secondly, while the Arabians do not constitute a very large population group in the East Indies, they have nevertheless played an important role in the country for centuries, and their numbers are being increased by a small but continuous flow of immigrants. The census of 1930 does not list the Arabians separately, but includes them under "Foreign Asiatics Other than Chinese," whose number is given as 11,022. Almost all these are Arabians. The number of Arabian immigrants varies greatly from year to year with the economic conditions in Hadramaut, the country from which the Arabians in the East Indies nearly all come.

Like the Chinese, the Arabians have been in the East Indies for centuries and constitute the intermediaries in business. Some of them

have been very successful and are multimillionaires. Their religion and the fact that they come from the land of the origin of Moham-medanism give them a peculiar influence with the Indonesians. The houses of two sultanates, Siak in Sumatra and Pontianak in Borneo, are Arabian. In 1931 Mr. van der Meulen, the former Dutch consul general and chargé d'affaires at Djeddah, was sent on a mission to Yemen and Hadramaut, the latter the land of origin of the East Indian Arabians, for the purpose of bringing them under the sphere of the Dutch legation at Djeddah and for reasons of Moslem policy. Mr. van der Meulen, accompanied by Dr. von Wissmann, a German geographer, successfully completed the difficult mission and in so doing they became the first Westerners to penetrate the interior of Hadramaut.²⁹

Because of the great number of Indonesians who go on the pilgrimage to Mecca the relations between the Netherlands Government and the government of the Kingdom of Hedjaz are of singular importance. Until 1825 the Dutch East Indian Government did not interest itself in the pilgrimages, as the hadjis were thought to be Moslem priests and fanatics, apt to excite revolt against the government of the infidels. To discourage the pilgrimages the Government in 1825 made passports and the payment of a tax of 110 florins a requirement of persons undertaking the pilgrimage. In 1852 this tax, the proceeds of which went to the mosques, was declared illegal by the Court of Cassation. The number of pilgrims thereupon increased rapidly, from 413 in 1852 to 3862 in 1858. At that time the pilgrimage often took three years and was accompanied by great hardship and even misery.³⁰ The Government's policy with respect to the pilgrimages is now controlled by its policy of absolute neutrality in matters of religion, and hence it neither encourages nor discourages the pilgrimages, even though they constitute a tremendous drain on the financial resources

²⁹ For an English account of the journey see van der Meulen, "A Journey in Hadramaut," *The Moslem World*, October, 1932.

³⁰ This and the following paragraphs are largely based on a chapter by van der Plas, "Les Relations entre les Pays Bas et le Hidjas," in *Grotius' Annuaire International*, 1931, pp. 116-144.

of the capital-poor Indonesians.²¹ About half of the Mecca pilgrims from overseas come from the Dutch East Indies. In 1926-27, when occurred the largest pilgrimage of Indonesians on record, there were 52,412 Indonesian pilgrims.²² In addition there is a colony of about 10,000 Indonesians constantly in Mecca, studying religious subjects and the Arab language.

A Dutch consulate at Djeddah was established in 1872. Hedjaz was then a Turkish province and the consulate was subject to the Dutch legation at Constantinople. The consulate had manifold tasks. Besides registering the pilgrims, looking after their interests, reporting deaths, and taking care of their estates, the consul also exercised judicial functions over the many pilgrims, as the capitulations were recognized in Hedjaz. Because non-Moslems may not enter Mecca, an Indonesian Moslem was added to the consulate staff in 1912, to reside in Mecca during the season of the pilgrimage, and in 1920 an Indonesian Moslem physician was added for the purpose of treating pilgrims, reporting on hygienic conditions in Hedjaz, and suggesting preventive measures for the protection of the pilgrims. The most difficult task of the consulate is the protection of the pilgrims against exactions and even pillage at the hands of the Arabs.

Important political changes took place in Hedjaz during the World War. In 1915 the Sherif of Mecca revolted against the Turks and, because of the disturbed condition of the country, the East Indian pilgrims ceased coming. The 10,000 Javanese colonists at Mecca were destitute, since they lived on funds brought by the pilgrims, and had to be repatriated. The Netherlands recognized the government of King Houssein in 1920, who refused, however, to recognize the capitulations. His government was weak and the pilgrims suffered. The Netherlands Government in 1926 recognized the government of King Ibn Saoed, who as King of Nedjd defeated King Houssein and then united the two countries. King Ibn Saoed reëstab-

²¹ The Dutch East Indian Government takes hygienic measures to protect the pilgrims against contagious diseases in Mecca by inoculations against cholera, typhoid, and dysentery. It also exercises a careful control over their transportation. Upon their return they are quarantined for a period, to protect the East Indies from contagion.

²² The number of Indonesian pilgrims declined to 2854. In 1937 the number was 5403.

lished peace and order and brought about a state of security such as the country had never before known. His government at once joined the International Postal Union and participated in the International Hygienic Conference of 1926. The progressive Ibn Saeed is trying to modernize the country and in this work has sought the collaboration of the Dutch. A Dutchman set up a laboratory for vaccines and serums for his government, and in 1932 Mr. van Leeuwen, a former official of the Netherlands Trading Company, stationed for some time in the company's office at Batavia, became King Ibn Saeed's financial adviser.

The relations between Hedjaz and the Netherlands are considered so important that the consulate at Djeddah was made a legation in 1930, with a *chargé d'affaires* at its head. The good relations existing between King Ibn Saeed's government and the Netherlands Government is not entirely free from embarrassment, for the former as king is chief of the reformist Moslem school of the Wahhabis, whereas the pilgrims are nearly all orthodox.⁸⁸

For a time after the World War there was an active Pan-Islamic movement in the East Indies, under the leadership of Hadji A. Salim. The advance of Christian missions and of the religiously neutral nationalist movement caused a defense reaction in the Moslem community. Several Pan-Islam congresses were held and delegates were sent to the World Islam congress convened by King Ibn Saeed at Mecca in 1926. But the King put a stop to all political aspects of the congress, as he feared it would involve him in political difficulties, especially with Great Britain. Hedjaz is quite dependent upon the profits of the pilgrimages, and the King probably also feared that the East Indian Government might put obstacles in the way of the pilgrimages if the congress should take on a political character. Hadji Salim sought to improve the Indonesian school at Mecca, but in this he failed. Later a group of Minangkabauers (a people of Sumatra) succeeded in establishing a good school at Mecca without political ends.

⁸⁸ The reform movement, however, has made great progress in the East Indies and an increasing number of Indonesian students now go to Cairo, the seat of the modern Moslem reform movement

The Dutch consul, now chargé d'affaires at Djeddah, is carefully chosen and receives a special training. He is chosen from Residents or Assistant Residents in the East Indian civil service, and before taking up his work he spends a year in study at Leiden, pursuing courses in the Arabian language, Moslem law, and similar studies. He is appointed for a period of five years, after which he generally returns to the East Indies to serve as an adviser to the Government in Moslem and native affairs. The system has produced a number of very able men, experts on Islamism and the Near Eastern situation. The Indonesian vice-consul in Mecca has been given a wide jurisdiction over the Indonesian pilgrims in Mecca. A unique feature of this arrangement is that the Hedjaz Government enforces the vice-consul's decisions.

THE DUTCH EAST INDIES AND GREAT BRITAIN

The peculiar position of the Dutch East Indies as over against the British Empire will be discussed below in discussion of the foreign policy of the Netherlands, so far as that policy is influenced by its Eastern possessions. A brief survey of Anglo-Dutch relations in the Far East during the past century may well serve as a proper setting for that discussion. Raffles, governor of Java during the British interregnum from 1811 to 1816, felt strongly that his government had conceded far too much to the Dutch in the restoration, and when he was sent back to Sumatra in 1818 as lieutenant governor of Bencoolen (which Britain had retained) he sought to recover many of the strategic points which he felt his country had not been foresighted enough to retain. Raffles had in mind obtaining control over the two western entrances to the archipelago, the Straits of Malacca and the Straits of Soenda, and furthermore, of establishing an anti-Batavia at some strategic point, able to compete successfully with the Dutch. He failed in his effort to win a base on the Soenda Straits, but was successful in obtaining the most strategic point on the Straits of Malacca. In 1819 he concluded a treaty with the Sultan of Acheh, situated in the northernmost point of Sumatra. In return for the promise of pro-

tection, Raffles obtained for the British East Indian Company the right of trading in the harbors of Acheh and of maintaining representation at the chief town. The subjects of all European and American powers would be denied the right of sojourn and the sultan agreed to make no treaties with other powers without the consent of England. Raffles saw the strategic value of Singapore, a small island off the tip of the Malay Peninsula, which the Dutch were intending to occupy. Before the Dutch were able to execute their plans, Raffles, by means of diplomatic trickery, obtained a cession of the island.

The Dutch now sought to strengthen their position. Their trading posts in British India were unprofitable and they were very willing to give them up if they could thereby strengthen their position in the archipelago. The British were inclined to give up Bencoolen on Sumatra and the island of Billiton if in other ways their trade in the East Indies could be established. Negotiations were begun in 1820 but broken off because the British would not give up Singapore. Negotiations were resumed in 1823 and a treaty concluded in 1824. The treaty provided for most-favored-nation treatment of nationals in each other's colonies, and the subjects and ships of each nation were to pay in the colonies of the other no more than 6-per cent duty if the nationals paid no tariffs, and not more than double if the nationals were taxed. No contracts were to be made with Eastern states excluding the trade of the other. The Netherlands gave up her posts in British India, surrendered Malacca, and promised to keep out of the Malay Peninsula, while England gave up all territory in Sumatra and agreed to make no contracts with the peoples of Sumatra. England gave up claim to Billiton and the Netherlands to Singapore, while England further agreed to keep out of the islands of Riouw Lingga, lying south of Singapore. The two powers further agreed not to cede to third parties the territories mentioned in the treaty—the Dutch posts in India, Bencoolen in Sumatra, Malacca, and so on. The treaty which Raffles had made with Acheh was incompatible with this treaty and the British agreed to modify their treaty to make it compatible with the new Anglo-Dutch treaty. The Dutch agreed to put down piracy

along the Sumatra coast. The Dutch were free to enter into political relations with Aceh but always without detracting from its independence. The treaty drew a line of demarcation between the two empires along the Straits of Singapore line, but not all the way to the China Sea as the Dutch had wished. The British had contracts with Sulu and Brunei, the Dutch none, so the British retained a sphere of influence in northern Borneo.²⁴

This treaty left the Dutch in a peculiar and unsatisfactory position with respect to Aceh. The Netherlands had undertaken the responsibility of guaranteeing the good behavior of Aceh with respect to the safety of sea traffic and trade within her borders, yet always respecting her independence. This placed the Dutch Government in an impossible position. By the Sumatra treaty of 1871 England finally withdrew this reservation, thereby giving the Dutch the right to extend their control over all the people of Sumatra. With the opening of the Suez Canal, Aceh came to lie on one of the most important trade routes of the world and there was a danger that Aceh might call in the help of outside powers, such as France, Russia, or the United States, thus giving the last-named an important base near enough to Singapore to constitute a threat to Great Britain. The Dutch had instituted the open door and were embarking on a free-trade policy. For all these reasons England was now willing to give the Dutch a free hand in clearing up the situation and thus removing all excuse or temptation on the part of the Great Powers to intervene.

Had it not been for the Dutch policy of abstention in the Outer Territories, of regarding every island outside of Java, Sumatra, and Banka as sources of expense, the Dutch might have rounded out a larger area than the one they now hold, as the boundaries were not staked out with any definiteness until late in the 19th century. Between 1830 and 1840 there had been ample opportunity for drawing into a political relationship with Brunei and as late as 1859 Raja Brooke made proposals for the transfer of Sarawak to the Netherlands, but the latter had no desire to take it over. It was not until 1891 that a treaty

²⁴ Colenbrander, *Koloniale geschiedenis*, III, 24-30.

with Great Britain was made, establishing the boundary line between Dutch territory and the British protectorates of North Borneo. The western boundary line also long remained indefinite. The British had several times taken possession of New Guinea, but had never effectively occupied it. Settlements were made at various times, but were speedily abandoned. In the meanwhile, in 1828, the Netherlands Government sent an expedition to New Guinea for the express purpose of taking possession of the western part of the island. Australia, especially Queensland, regarded that part of New Guinea which did not fall under the sphere of Dutch influence as a natural appendix of her territory, but England seemed indifferent to its acquisition. When in 1882 a German journal pleaded vigorously for the occupation of East New Guinea the Government of Queensland became so alarmed that it proclaimed the annexation of this territory without waiting for the approval of the British Government. The Germans nevertheless occupied the northern portion. A boundary line between German Northeast New Guinea and British Southeast New Guinea was agreed upon by a treaty of 1884. With the formation of the Australian Commonwealth, Southeast New Guinea was transferred to the new Commonwealth Government. As a result of the World War Australia acquired Northeast New Guinea as a mandate of the League of Nations. The boundary between Dutch and British territory in New Guinea was drawn in a treaty in 1895.

THE DUTCH EAST INDIES AND PORTUGAL, GERMANY, AND THE UNITED STATES

All that Portugal retained of her former vast empire in the East Indies was a part of the island of Timor and a few small surrounding islands. Disputes between Portugal and the Netherlands in this far-off corner of the world continued for centuries and have only been amicably settled within the last few decades. To put an end to these disputes the Netherlands Government long sought to buy the Portuguese possessions in the Timor Archipelago, but Portugal would not sell. By a treaty of 1859 some of the boundary disputes were settled and Portu-

gal relinquished her claim to certain islands north of Timor upon payment by the Netherlands of 200,000 florins. A number of the troublesome enclaves were wiped out. By a new treaty, of 1893, it was agreed to wipe out the remaining enclaves and to bring about more definite boundary lines. It was not until 1897 that the two governments reached an agreement on the regulations which were to govern the commission of experts who were to fix the actual boundary lines. In the meanwhile the two governments by an exchange of notes agreed not to extend to third powers the right to establish coal or naval bases in the Timor Archipelago. The work of the mixed commission led to the conclusion of a new treaty in 1904. Because of the revolutions in Portugal ratification was delayed until 1908.³³ Under the terms of the 1904 treaty each of the contracting powers agreed to give preference to the other in the event of partial or total cession of its territory or sovereignty in the archipelago of Timor and Solor.

A boundary agreement with either Spain or the United States with respect to the small islands south of Mindanao was never concluded. In 1906 a disagreement arose over the ownership of the small island of Palmas. The disagreement fell under the terms of an arbitration treaty of 1908 between the two countries. The *compromis* was agreed upon in 1925 and the case submitted to M. Max Huber, then president of the Permanent Court for International Justice, as single arbitrator. His award, rendered in April, 1928, was in favor of the Netherlands.³⁴

No boundary agreement was ever concluded with Germany while it was still a colonial power. Nor has a boundary treaty been made with Australia as the mandate of former German Northeast New Guinea.

From the point of view of the Netherlands in world politics the rise of Japan as a world power was offset to a considerable degree by

³³ Disagreement on one section of the boundary line remained unsettled by the treaty and was later submitted to Dr. Lardy, the Swiss minister to Paris, for arbitration. He rendered a decision in favor of the Netherlands in 1914.

³⁴ See Philip C. Jessup, "The Palmas Island Arbitration," *American Journal of International Law*, October, 1928. The arbitrator's award is found in the same number of this journal.

the rise of the United States as a world power and the extension of her sovereignty to the Far East in a territory situated between the East Indies and Japan. But the withdrawal of the United States at this crucial period again causes an upsetting of the balance. That the people of the Philippines are not altogether happy at the prospect of complete American withdrawal is apparent.⁸⁷

The removal of Germany from the Far East and the decline of her power in Europe greatly eased the position of the Netherlands both in Europe and in Asia in the postwar years, but her rearmament under the National Socialist regime made her position very precarious.

THE DUTCH EAST INDIES AND AUSTRALIA AND NEW ZEALAND

The interest of Australia, New Zealand, and the Dutch East Indies in each other has rapidly increased in recent years. New Zealand is buying increasing quantities of goods from the East Indies. Four per cent of New Zealand's imports come from the East Indies, and the latter country surpasses Japan in the percentage of New Zealand's imports. Trade between the East Indies and Australia is already considerable. In 1937 the East Indies exported to Australia 30,000,000 florins' worth of goods and imported 12,000,000 florins' worth. With the industrialization of Australia this trade will greatly increase, the two countries exchanging manufactured goods and raw materials. But the increased interest of Australia and New Zealand in the East Indies derives in part from an increasing concern over their own security. The occupation of the East Indies by any of the Great Powers would constitute a grave danger to the security of these countries. The Japanese mandated islands have already brought Japan within 500 miles of Australian territory; any further encroachments southward would not be looked upon with unconcern by the Australians. Representatives of Australia, New Zealand, and Great Britain met in secret session at Wellington in May, 1939, to plan the coördination of economic and strategic measures for the defense of the two dominions

⁸⁷ According to reports from Manila, President Quezon has suggested a status of semi-independence for the Islands. *New York Times*, March 27 and 31 and April 2, 1940.

and the adjacent colonies, mandates, and protectorates of the governments represented. Australia was also represented at the Franco-British Defense Conference held at Singapore in June, 1939, at which the position of the Dutch East Indies was one of the subjects of discussion. In 1938 Lord Gowrie, Governor General of Australia, paid an official visit to the Dutch East Indies, and a return visit by the Governor General of the East Indies is planned.

FOREIGN POLICY

The Netherlands' foreign policy is naturally influenced in no small degree by its control over its large and rich Eastern empire. The international position of the metropolitan country and of the dependency are peculiarly alike; hence the East Indies does not modify Dutch foreign policy as much as might be expected at first thought. With respect to her home territory Holland had to steer a steady and even course between the great Continental powers on the one hand and the great maritime power across the channel on the other. A relatively large power in her earlier days, Holland's relative position has declined, and this fact largely determines her policy. Holland and the East Indies are each situated on sea lanes where the water traffic of the world concentrates. In the event of a conflict between the great powers in the Pacific the position of the East Indies would be very similar to the position of the Netherlands in the present conflict between the great powers in Europe. In her foreign policy Holland had rigidly adhered to a policy of no political alliances.⁸⁸

As a matter of fact the Netherlands is not now, and has not been for two centuries, in a position to hold her colonies by the force of her own power. She has retained them only by sufferance of Great Britain. An independent and not entirely impotent Netherlands was an interest of Great Britain, and this brought with it the desirability of maintaining the Netherlands as a colonial power. As a consequence

⁸⁸ This policy held its own against several blandishments in the early years of the century. The Netherlands rebuffed movements for an alliance with Belgium, for inclusion in the Franco-British Entente Cordiale, and suggestions for a customs union with Germany.

any weakening of Western Europe as a whole means a weakening of the Netherlands' position in Asia. Japan and the United States, the two naval powers besides Great Britain, have no interest in seeing Holland's position maintained in Western Europe, and therefore they do not have the same interest in maintaining her as a colonial power in the Far East.³⁹ Only so far as the United States is unwilling to see Japan's or Great Britain's power in Asia increased has she an interest in seeing the continuance of the Dutch colonial empire in the East.

The possibility of a Pacific war is always in the background of the public mind in the East Indies. While the results of the Washington Conference did something to calm that fear, they by no means removed it. A section of Dutch opinion held that while the results of the Washington Conference were to lessen the danger of war in the Pacific, the position of the East Indies became less secure, since the Philippines as a bulwark against Japan was gone.⁴⁰ It also lessened the opportunity for an open decisive battle between the two hostile fleets, since the fleets would be too far from their bases. The war would mean that each would concentrate on trying to drive the other's commerce from the seas, and this would increase the importance of the East Indies because of its geographical position and formation. Commercial vessels are not easily captured on the high seas, and the narrow, busy sea lanes of the East Indies would offer excellent opportunities for capture and concentration of attack. The large number of protected bays and sheltered places would serve as excellent bases for raiders and as a rendezvous for coal boats. The dearth of oil in the Far East and the oil reserves of the East Indies are a constant source of fear of an attack in the event of war. A second reason for the lack of an excessive enthusiasm for the results of the Washington Conference lay in the fact that the Netherlands is not a signatory of the Four-Power Pact. Though the Netherlands was pleased with the treaty, as it embodied an endeavor to promote peace in the Pacific, it

³⁹ See Ritsema van Eck, "Indië's staatkunde als grondslag van Indië's staatinrichting," *Indisch Genootschap*, 1922, pp. 79-80.

⁴⁰ See van Reede, "De strategische positie van Nederlandsch-Indië," *Indisch Genootschap*, 1930, pp. 1 ff.

was a bit puzzled as to the position of the East Indies under it. The Four-Power Pact does not pledge the signatories to respect the rights of other powers in the Pacific. The Netherlands quietly approached the four signatory Powers and asked that it be given some recognition in connection with it. This led to the dispatch of identical notes by the four Powers to the Netherlands Government (and also to the Portuguese Government), each declaring that "it is firmly resolved to respect the rights of the Netherlands in relation to their insular possessions in the region of the Pacific Ocean."⁴¹ There is a doubt in the minds of some people whether these individual guaranties give as great a security as would the collective guaranty of the Four-Power Pact itself.

The policy of the Netherlands in the event of a Pacific conflict was repeatedly outlined by the East Indian Government and its military advisers. As indicated in a statement by Captain van Reede, director of the Naval War College, the Netherlands' best defense is a policy of neutrality for herself and of so preparing the defense of the East Indies that a violation of East Indian neutrality will involve greater disadvantages than advantages. The East Indian defense force should be of sufficient strength to be able to delay invasion long enough to give the opposing party time to come to the aid of the Dutch defenders.

The strategic position of the Dutch East Indies is dominated by the British naval base at Singapore. The Dutch could never defend the East Indies against the British, no matter what other great power might come to their aid, and hence all talk of a policy of neutrality implies defense against some power other than Great Britain. This fact must necessarily serve to deter any anti-British tendencies of Dutch foreign policy.⁴² Fortunately for the Dutch, Great Britain, as well as the Netherlands, has an interest in maintaining the status

⁴¹ U. S. Senate Doc., No. 128, 67th Cong., 2d Sess., pp. 922-923. The note of the United States to the Netherlands is dated February 4, 1922.

⁴² The Dutch neutrality regulations in the East Indies during the World War were slightly more lenient than the regulations for the Netherlands territory. See Vandenbosch, *The Neutrality of the Netherlands during the World War*

quo.⁴³ Moreover, Great Britain could never permit the occupation of any of the Dutch East Indian islands by any other power than the Netherlands, certainly not by any Great Power. In this connection it is interesting to note the tremendous drive exerted by companies, other than Dutch and British, to obtain a foothold in one of the numerous Riouw Islands near Singapore, and the attitude of the Dutch East Indian Government with respect to the requests for concessions. About 1912 a Japanese asked for a concession on two small islands, Awi and Momoi, for the alleged purpose of rubber culture and deep sea fishing. The concession was granted, and when some time later a government official visited the island there was no evidence of either rubber culture or fishing, but a Japanese was busily engaged in sounding and charting the surroundings. Shortly thereafter this official attended a dinner given by the Dutch consul general at Singapore, and among the guests were some officers from the Japanese warship, *Kongo*, which lay at Singapore. In one of the officers the Dutch official recognized the Japanese "rubber culture" concessionaire.⁴⁴ The Standard Oil Company of New York in 1911 sought a concession on the island Poeloe Bintang, near Singapore. The British authorities became alarmed and protested to the Dutch Government. The latter, unable to find terms under which to deny the request and yet unwilling to offend Great Britain, decided it needed the island for a quarantine station. The station was erected but never used. A few years ago the Standard Oil Company's subsidiary, the Nederlandsche Koloniale Petroleum Maatschappij, which has oil fields in Sumatra, asked for permission to establish a transit station on an island near Singapore, and this request, too, was denied. On the other hand the Royal Dutch Shell Petroleum Company has long had refineries and

⁴³ Dutch and British interests run parallel in many directions. Both have maintained a policy of the open door in the colonies, both are low-tariff countries, and both have common interests in establishing speedy air traffic with the Far Eastern sections of the empire and are cooperating in this field. Only Great Britain, Sweden, and the Netherlands declared for the principle of "free air" before the International Commission of Air Navigation.

⁴⁴ For this incident and the following see an article, "Buitenlandsche belangstelling voor Riouw-Archipel," in *Het Nieuws van den Dag*, a leading daily paper of Batavia, for February 12, 1930.

tanks on the island of Samboe, a short distance from Singapore, and more recently the Bataafsche Petroleum Maatschappij, under the name of the Asiatic, established a station on Poeloe Samboe, an island also very near Singapore. The Asiatic apparently obtained the approval of the British as well as of the Dutch Government.⁴⁶

Because of the closely interlocked British and Dutch oil interests it is often assumed that there exists some sort of understanding between the two countries, but any suggestion of this is always vigorously denied by those close to the Government, and is doubted by leading Dutch students of the problem. Moreover, public opinion in the East Indies and the Netherlands is not unanimously of the opinion that the construction of the Singapore naval base is for the best interests of the East Indies. It may attract as well as ward off danger of attack.

In the years following the World War there developed a movement for a Franco-Dutch rapprochement in the Far East, a movement more active in French than in Dutch circles. The idea of a rapprochement has been advocated by former minister of colonies André Hesse in *La Dépêche Coloniale*.⁴⁷ Senator Octave Homberg has also advocated it in the *Revue de Deux Mondes* and in *La Dépêche Coloniale*, and has lectured on the subject in the Netherlands. One of the moving spirits behind it in Paris is M. van der Vlugh, a Dutchman, the editor of *Le Monde Nouveau*. He was instrumental in getting M. Angoulvant to visit the East Indies and to publish a work on it.⁴⁸ The Governors General of Indo-China and the Dutch East Indies have

⁴⁶ *Het Nieuws van den Dag* concludes its article as follows: "We think it necessary expressly to repeat with respect to these little islands that not only Dutch and Dutch East Indian interests are involved. The drive for the Riouw Archipelago is directed against Singapore more than against any Dutch East Indian point. To use a trite but clear expression, all these little islands may become pistols directed at the heart of Singapore. If we grant the permission to erect the pistol we bring upon our heads the displeasure of the British Government without acquiring any advantage for ourselves.

"More than that, we bring upon ourselves menaces to the free navigation of important sea channels in our territory.

"The best policy would therefore be to shunt all foreigners away from the alluring small islands in the Riouw Archipelago and to announce once for all that no concessions or permissions are available for them there."

⁴⁷ See issue of October 28, 1927. ⁴⁸ *Les Indes néerlandaises*.

exchanged visits, and in October, 1931, Minister of Colonies M. Paul Reynaud paid Java a visit. In January, 1930, Prime Minister Tardieu and Minister of Colonies Petrie both made public statements that France desired to draw into closer relations with the Netherlands in the Far East and was now prepared to approve a customs agreement between Indo-China and the East Indies, should Governor Pasquier recommend it. There is probably nothing more behind the movement than a general feeling of the desirability of an exchange of ideas in colonial administration.⁴⁸ Both dependencies had experienced communistic disorders, and the object of the rapprochement may in part be to develop a common front against Moscow and to cooperate in combating radical propaganda. The movement in France has recently become more general.⁴⁹

As a small power, precariously situated in Europe, with a large colonial empire to defend, the Netherlands is very much interested in the development of all agencies for international peace, and a loyal support of the League of Nations is a cardinal feature of her foreign policy. Her military weakness was undoubtedly a factor in the maintenance of the open door in the dependencies.⁵⁰

The Dutch East Indies is gradually developing an international personality and beginning to play an independent role in international relations. Odd as it may seem, this is in a sense a reversion to earlier conditions and practices. The diplomatic relations between the Dutch East Indies and China, Japan, and Siam were under the jurisdiction of the ministry of colonies, as the successor to the East Indian Company, until 1862, when they were transferred to the ministry of foreign affairs. Until that year only the East Indian Government had relations with the Japanese Government. Before that time, and for

⁴⁸ See Nypels, "In verband met de bezoek van de Governor General van Indo-China," *Indische Gids*, LI, 669-678

⁴⁹ *De Locomotief*, Overzee editie, August 4, 1932. The movement for general coöperation among all colonial powers was headed by former President M. Gaston Doumergue. It seems inspired in part by the fear that noncolonial powers are going to determine policy for the colonial powers through such institutions as the International Labor Office and the Mandates System.

⁵⁰ See chap. xiv, "Commercial Policy."

practical reasons even after that date, the protection of Dutch citizens in Eastern countries remained with the Governor General. Direct communication between the East Indian Government and the Dutch diplomatic and consular officials in Asia has not been infrequent since then.⁵¹ The Governor General has during the last decades corresponded directly with the Dutch ministers at Tokio and Peking.⁵²

The East Indian Government's powers with respect to foreign relations are limited to asking for extradition in Eastern countries, directly, without going through The Hague.⁵³ The Governor General is also a co-signatory of exequaturs but the Netherlands Government permits no one to exercise consular functions except on a treaty basis, and the treaty provisions carefully circumscribe the powers of the consuls in order that they may exercise no diplomatic functions whatever. While consular officials must, if they wish to communicate with the Dutch Government, turn to their own diplomatic officials in The Hague, they may in extremities communicate directly with the Governor General. Moreover, under the terms of several treaties the Governor General may be empowered to withdraw exequaturs. The appointment of consular agents by consuls already functioning there must receive the approval of the Governor General.⁵⁴ Since 1927 all treaties in any way affecting the Dutch East Indies are sent to the Volksraad for advice before they are submitted to the States General for obtaining its consent to ratification.

The desirability of attaching experts in international law and Far Eastern politics to the East Indian Government began to be urged in and outside of Parliament about thirty years ago. It was pointed out that the Governor General found himself confronted with interna-

⁵¹ Van Ginkel, *Overzicht van de internationaal rechtelijke betrekkingen van Nederlandsch-Indië, 1850-1922*; Spanjaard, *Nederlandsche diplomatieke en andere bescherming in den vreemde, 1795-1914*, pp. 144-147; van Kleffens, *De internationaal rechtelijke betrekkingen tusschen Nederland en Japan, 1605-heden*.

⁵² Van Asbeck, *Onderzoek naar den juridischen wereldbouw*.

⁵³ Under the terms of a treaty between the Netherlands and the United States, of 1904, extradition between the East Indies and the Philippines takes place directly. Malloy's *Treaties*, II, 1271 ff.

⁵⁴ Van Asbeck, *op. cit.*, p. 259.

tional problems which were becoming constantly more numerous and important. This led to the creation of a bureau for Chinese affairs and later also a bureau for Japanese affairs. Since 1926 the Governor General has been assisted by an expert in international law. Special East Indian representation on international commissions and delegations was also urged, and has now become a regular practice. Mr. D. Fock, then Governor General-elect of the East Indies, was a member of the Netherlands delegation in the League of Nations Assembly in 1921. A member of the East Indian service was made a member of the Dutch delegation to the League of Nations Assembly for the first time in 1927, and in 1928 Graaf van Limburg Stirum, Dutch minister at Berlin and former Governor General of the East Indies, was a member of the Dutch delegation. The States General did not regard this form of East Indian representation as sufficient and urged the appointment of an Indonesian delegate, and there were even members of the States General who pressed the desirability of separate League membership for the East Indies. The idea of an Indonesian member of the Dutch delegation received wide approval, even from the extreme right, since this would not only be an act in the interest of the East Indies, but would at the same time serve as a capital piece of propaganda in demonstrating to the world the ties which exist between the Netherlands Government and the indigenous population of the Indies. As a result the practice of including Indonesians in the Netherlands delegation to the League Assembly meetings and to the International Labor Conference was begun.⁸⁵

The Dutch East Indian Government has for many years been a member of several international public unions, such as the International Postal Union, and in recent years the demand for independent membership in the League of Nations has been urged. An initial step in that direction was taken in 1929 by the establishment of an East Indian office at Geneva, with an "observer" in charge. He serves as a connecting link between the ministry of colonies and the League

⁸⁵ In 1922 the Interparliamentary group of the Volksraad for the first time sent a delegation to the Conference of the Interparliamentary Union

of Nations and the International Labor Office. This movement seems in part inspired by a desire to keep the world informed of conditions in the East Indies and Dutch policy there. With the existence of the League of Nations, the International Labor Office, and the mandates system, the Dutch feel that colonial policy and administration is no longer a purely national affair, and hence they feel the necessity both of keeping carefully informed of what the world is saying and thinking about these matters in general, and Dutch policy in particular, and of correcting false ideas of Dutch policy. The Dutch have looked with some concern upon German and Italian propaganda for a mandate, and there has been some complaint that misrepresentation of Dutch policy in the East Indies was a phase of that propaganda.⁵⁸

There is a general feeling in the East Indies that the Dutch consular officials in the East are not sufficiently informed about East Indian economic, financial, and commercial interests, and that they lack an East Indian orientation. This complaint is most vehemently advanced by the large Western entrepreneurs there who are looking for Eastern markets for their products. In the Volksraad session of 1932 the need of a separate diplomatic and consular service of its own in Asia was pressed upon the Government. It has long been urged that Dutch diplomatic and consular personnel in the Far East should first have had some service in the East Indies and that Dutch consular reports from Far Eastern countries should be sent directly to the East Indian Government. An increasing percentage of the Dutch East Indian trade is with Far Eastern countries, giving greater emphasis to the demand. It is very doubtful whether the Netherlands Government will make any move in the direction of permitting diplomatic relations between the East Indian Government and Asiatic countries, but some action in giving the Dutch consular service in the East a greater East Indian orientation may be fully expected.

⁵⁸ Eindhoven, "Aanteekeningen uit Geneve," *Koloniale Studiën*, 1928, pp. 1-28. For a discussion of the function of the East Indian representative at Geneva see de Louter, "De beteekenis van eenen kolonialen vertegenwoordiger te Geneve," *Indische Gids*, LI, 204 ff., and "Nederlandsch-Indië en de Volkenbond," *Mededeelingen der regering omtrent enkele onderwerpen van algemeen belang*, Mei, 1929.

DUTCH FOREIGN POLICY AND RECENT EVENTS

With the weakening of German power as a result of the World War the Netherlands acquired more scope for an active foreign policy. The balance of power was now heavily in favor of Great Britain and France. But the Netherlands was not squarely faced with the problem of choosing between her traditional policy of stringent neutrality and an active pro-British policy. Through the League of Nations the Netherlands could follow a mild pro-British policy without departing completely from her traditional policy. With the rise of an imperialistic policy on the part of Japan and the rearmament of the Fascist countries and their demands for colonial revision, Netherlands policy became more difficult. The Netherlands ardently supported the League of Nations sanctions against Italy. The successful application of sanctions in its first trial would have gone a long way in solving the Dutch problem. For a country like the Netherlands—small, militarily weak, geographically exposed, and with a large, distant dependency to defend—the participation in the sanctions experiment was fraught with danger. The Italian press was bitter in its denunciation of the active part which this small country with large colonial areas took in the application of sanctions. "Why should this country which has no need for large and rich colonial areas try to prevent a large, overcrowded country like Italy from acquiring much needed colonial territories?" it asked.

With the failure of sanctions and the continued growth of Fascist power, the Netherlands Government began to beat a hasty retreat. With the Scandinavian states it took an active part in relaxing the obligations of the Covenant and began to fall back upon its old policy of stringent isolation and neutrality. Though the security of the East Indies was one of the chief subjects of discussion at the Franco-British Defense Conference at Singapore in the summer of 1939, the Dutch Premier gave public assurance to the public and the world that the Netherlands was not represented at the Conference, as that was against the Dutch policy of absolute neutrality and isolation. This pol-

icy she followed to the bitter end, though leading Dutchmen began to see the folly of it—but only after it was too late and it was impossible to change the course. A few weeks before the German invasion of Holland, former Prime Minister Colijn warned his country through an editorial in *De Standaard* that the Netherlands ought to take sides in the dispute. Had the Dutch and the Belgians actively allied themselves with France and Great Britain several years before the outbreak of the war, consequent events might have had a different course. But this was a hard decision for two small states bordering Germany to make and their failure to make it is understandable. The Dutch were not the only people who failed to realize how fundamentally the world situation had changed.

Chapter XXI

THE DUTCH EAST INDIES AND JAPAN

THE DUTCH and the Japanese have had long if not always the most honorable relations with each other. The Dutch did not arrive in Japan until 1600, some sixty years after the Spanish and the Portuguese first made contact with that country, but from that time to the present the Netherlands alone of all the Western Powers has had continuous official relations with the Japanese Government.¹

Japanese came to the Indies about the same time as the East India Company. Japanese, armed with bows and arrows, were in the service of the Company as soldiers as early as 1612. By 1623 there was also a large nonmilitary colony of Japanese, for in this year they could muster 130 armed men. Some were taxfarmers, and others engaged in trade. A few held the highest offices under the East Indian Company and in the Church.² Not a few of the Japanese were Christians. Some interesting characterizations of the Japanese have come down from the early Dutch. Coen, the founder of the Dutch empire in the East, said of them, "Tis a very resolute folk, lambs in their own land but almost devils outside." Dominie Caspar Wiltens said of them that they "wanted a reason and an answer to all things." Another early leader described them as heroes in battle.

The Japanese colony at Batavia would in all probability have become important if Japan had not cut herself off from the world in 1640. After this date no Japanese were permitted to leave their country, nor those abroad to return. The colony at Batavia was too small to continue a separate existence; it was assimilated by its environment. The last reference to the Japanese in Batavia is of 1682. The first notice

¹ For the history of the diplomatic relations between the Netherlands and Japan, see E. N. van Kleffens, *De internationaal rechtelijke betrekkingen tusschen Nederland en Japan, 1605-heden*. Dr van Kleffens became Minister of Foreign Affairs in 1939.

² One, a minister in Amboina, wrote forty sermons and a catechism book in Malay. See *Oud-Batavia, Gedenkboek uitgegeven ter gelegenheid van het 300-jarig bestaan der stad in 1919*, pp. 485-486.

of Japanese in the East Indies in the new period is an advertisement in a Java paper in 1867 of a troupe of Japanese magicians, in which were two Japanese women, "the first ever permitted to leave their land."

Throughout all these years of Japanese seclusion, when foreigners could not enter nor trade with Japan, the Dutch alone were excepted. The East Indian Company was allowed limited trading rights through an agency which it was permitted to maintain on the island of Deshima in the harbor of Nagasaki. This station was in effect a combination of a diplomatic post and a trading-company agency. The Dutch on the post suffered considerable ill-treatment at the hands of the Japanese. After reading the various documents bearing on the subject, van Kleffens concludes that the ill-treatment accorded the Dutch came from the local officials upon their own authority and that they were driven to it out of cupidity. Complaints by the Dutch officials never reached the Shogun, for the reason that they were never forwarded to him. Evidence of the high esteem in which the Dutch were held by the Shogun is found in the fact that the Dutch were permitted to make the court journey and bring gifts.³

When the Dutch Government took over the East Indian Company, it succeeded the Company in the trade monopoly. The amount of the trade was not great. An item of 20,869 florins appears in the Indies Government budget for 1847-48, which in all probability represents the profits from this trade. As part payment of salary the officials at Deshima were permitted to send out 4000 florins worth of goods each year. An interesting fact about this period of Dutch-Japanese relations is that during the years when the Netherlands was a part of Napoleonic France, Deshima was the only place in the world where the Dutch flag continued to fly. Raffles wished to take over the Dutch factory at Deshima and the British did send a small, unsuccessful expedition to attempt it.

Through this narrow opening upon the outside world a great amount of Western science and learning infiltrated into Japan.⁴

³ *Ibid.*, p. 17.

⁴ Among the books on this subject are. Boxer, *Jans Compagnie in Japan, 1600-1817*;

Through this Dutch aperture the Japanese were able to learn much about cartography, geography, military science, medicine, botany, and astronomy. Sometimes they submitted to the Dutch officials on Deshima questions of a military-political nature. An instance of this was the questionnaire submitted at the time of the Anglo-Chinese "Opium War" of 1840-42,⁵ in which the Japanese asked a series of pertinent questions about British naval strength and tactics.

Though the Dutch Government realized that sooner or later other countries would seek to enter into relations with Japan, it refused to be prodded into an active policy. It declared in Parliament in 1852 that it would follow toward Japan a policy of "warning, counsel, and stimulation . . . thereby avoiding everything which might give the impression of our seeking our own advantage."⁶ On February 15, 1844, King William II sent a highly significant letter to the Emperor of Japan. The letter was in the King's handwriting, but it was composed by the well-known student of Japan, von Siebold, former physician at the Dutch post on Deshima. The letter tried to convince the Japanese Government that it would do well to abandon its policy of seclusion. It pointed out that China had recently been opened as a result of war; it warned against the dangers inhering in a system of strict seclusion at a time when distances were disappearing through the use of steam power and when navigation was extending into Japanese waters and when trade and commerce were rapidly developing in Europe. The letter suggested friendly, commercial relations as the best method of preventing conflicts and it advised a softening of the laws against foreigners. The Shogun submitted the letter to his highest officials and received some interesting advice. Lord Midzuno Tadakuni, his highest official, advised him to take the initiative in opening the country to foreign trade, rather than wait and have it forced upon him. He also advised the Shogun "to stimulate the rising tide of

Feenstra Kuiper, *Japan en de buitenwereld in de achttiende eeuw*; Yamasaki, *L'Action de la civilisation européenne sur la vie japonaise avant l'arrivée du Commodore Perry*. See also Kan Kipuchi, "The Dawn of Western Science in Japan," *Scientific Monthly*, XVIII, 113-128.

⁵ See Boxer, *op cit.*, App. V

⁶ Quoted by van Kleffens, *op cit.*, p. 32

national spirit within, and adopt the aggressive policy of conquest without." The Shogun, however, decided that the exclusion policy must be continued and so informed the Dutch Government in a letter of 1845. Another attempt was made, this time by the Governor General of the Indies, to induce Japan to desert her policy of exclusion. The Japanese Government was warned of the coming American expedition and was advised to conclude a treaty including the following provisions: the opening of Nagasaki to the commerce of all nations which had of old lived at peace with Japan; the levying of only moderate import and export taxes; the admission of consuls who would have exclusive jurisdiction in criminal actions against persons of their own nationality, and jointly with Japanese officials in commercial matters; the designation of coaling stations in the north and south of Japan; and most-favored-nation treatment for Dutch nationals.⁸ A few months later the United States Government requested the good offices of the Dutch Government in promoting its "amicable visit to the Japanese Islands." In granting this request the Dutch Government acquainted the United States Government with its exchange of letters with the Japanese Government nearly a decade earlier.⁹

During the first years after the establishment of diplomatic relations between Japan and other countries, Dutch was the common medium of communication both orally and in writing. "In those days," wrote Sir Ernest Satow, "the correspondence with the Japanese Government was carried on by means of Dutch, the only European tongue of which anything was known. An absurd idea existed at one time that Dutch was the court language of Japan. Nothing was farther from the truth. It was studied solely by a corps of interpreters attached to the Dutch settlement at Nagasaki. . . ." ¹⁰ At the time, about the only aids in studying the Japanese language were written by Dutch students.

The beginnings of Dutch fear of Japan date from the Sino-Japanese War. By the Peace Treaty of Shimonoseki in 1895 Japan obtained the

⁸ Akagi, *Japan's Foreign Relations*

⁹ *Ibid.*, p. 37.

¹⁰ Van Kleffens, *op. cit.*, pp. 37-38

¹¹ *A Diplomat in Japan*

Pescadores Islands and Formosa and a party in Japan began urging southward expansion overseas.¹¹ Japan chose, at that time, expansion on the continent; nevertheless, the South Sea area was not altogether forgotten or neglected. In 1912 a Japanese government-subsidized boat line running to the East Indies began operations and an organization called the South Sea Society encouraged trade and other relations with the South Sea islands.

In the course of the Russo-Japanese War an incident occurred which caused the Netherlands Government some alarm. When the Russian Baltic fleet on its way to the Far East approached the East Indies, the Japanese Government sent a note to The Hague in which the Dutch Government was warned against permitting the Russian fleet to make unneutral use of the East Indian ports or territorial waters. Should the Netherlands Government fail in its duties, the note stated, the Japanese Government would take such measures as it might deem necessary. The Dutch Government spent some anxious weeks as the Russian fleet approached and passed through the waters of its insular dependency. The experienced Dutch Minister at Constantinople was called home to assist the Minister of Foreign Affairs during the crisis. For several months the responsible head of the Foreign Office was virtually displaced by a person not officially appointed to the position nor responsible to Parliament for his acts. Shortly after this, the Foreign Minister resigned. What relationship there was between the resignation and the incident of the Russian naval movement is not definitely known.

At the time of the World War the Dutch began to take alarm at indications that some Japanese were turning their thoughts southward. Articles began to appear in the Japanese press broadly hinting at the desirability of expansion in the East Indian archipelago, and the imperialistic policy Japan displayed toward China was not reassuring. The acquisition by Japan of the former German colonies north of the equator, even as mandates of the League of Nations,

¹¹ Bakker, "De internationale positie van Nederlandsch-Indië in de laatste 50 jaren," *De Indische Gids*, LI, 32-43.

caused some misgiving. The position of these islands just off the direct route from the United States to the Philippines and their possible use as air and naval bases was not lost upon the Dutch.

In the years immediately following the World War there was some fear that the oil resources of the East Indies would speedily draw it into the maelstrom of imperialistic conflict. This question became a subject of an intense debate in the States General when the East Indian Government entered a contract with the Batavian Oil Company, a subsidiary of the Royal Dutch Shell, for the joint exploitation of the Djambi oil fields. When it became known that the United States was giving diplomatic support to the requests of the Colonial Oil Company for a similar concession, the situation became tense. Critics of the Government's policy asserted that a contract with a company largely under British control was certain to draw the East Indies into the world struggle for oil. In view of the fact that Japan was dependent upon the outside world for oil and that it was obtaining a considerable part of its supply from the East Indies, it is interesting to note that the Japanese Government entered this controversy merely to demand for its nationals equality of opportunity if in the future they should apply for concessions. It made this demand in a single brief note.

The Dutch were greatly disturbed by the tense situation which obtained in the Pacific area after the World War. The Dutch Government, while it gladly welcomed any event or action which promised to relieve the tension, wished to avoid anything that would draw it away from its traditional policy of isolation. It therefore viewed the Washington Conference with both hope and concern. The Netherlands Government had a difficult role to play in the Conference, and the role was played in the best Dutch diplomatic tradition. The Netherlands had a restricted, limited invitation. Since it had practically no navy, the Dutch Government was not invited to participate in the disarmament discussions. It was invited solely because of its interests in the Far East. The Dutch Government took no offense at this limited invitation, for it wished to become involved in political

questions as little as possible and to avoid accepting any political responsibility if it could. The Netherlands did become a party to the Nine-Power Treaty, but not to the Four-Power Treaty. The fact that neither was the Netherlands a party to the Four-Power Treaty nor was the East Indies covered by the treaty disturbed Foreign Minister van Karnebeek, the head of the Dutch delegation. He was successful, nevertheless, in obtaining all that he desired. Mr. van Karnebeek, and with him the head of the Portuguese delegation, quietly approached the heads of the delegations of the four Great Powers in an effort to remedy the situation. He argued with the heads of these delegations that if the object of the treaty was to promote peace and tranquillity in the Pacific area, the failure to include the Dutch and Portuguese possessions in that region was bound to defeat its purpose, for this would increase rather than allay distrust. The heads of the delegations agreed with this view and the danger of breeding distrust was thought to be removed by identic notes from the British, French, United States, and Japanese governments whereby the principles of the treaty were extended to the Pacific possessions of the Netherlands and Portugal.

The note of the United States Government to the Dutch Government is as follows:

The United States of America has concluded on December 13, 1921, with the British Empire, France, and Japan, a treaty, with a view to the preservation of the general peace and the maintenance of their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean. They have agreed thereby as between themselves to respect their rights in relation to these possessions and dominions.

The Netherlands not being signatory to the said treaty and the Netherlands possessions in the region of the Pacific Ocean therefore not being included in the agreement referred to, the Government of the United States of America, anxious to forestall any conclusion contrary to the spirit of the treaty, desires to declare that it is firmly resolved to respect the rights of the Netherlands in relation to their insular possessions in the region of the Pacific Ocean¹²

¹² *U. S. Senate Doc No 128, 67th Cong., 2d Sess., pp. 922-923*

Mr. van Karnebeek was thus successful in obtaining for his country such benefits as the treaty might possess without involving it in the treaty's responsibilities and burdens.

The Japanese commercial invasion of the East Indies, long feared by the Dutch, became a reality during the world depression. The Japanese share of the East Indies imports before 1913 was very small, only slightly over 1 per cent. The five-year average from 1925 to 1929 was considerably higher, slightly over 10 per cent. During the next few years the Japanese share rose very rapidly. In 1933 the Japanese percentage of the imports reached 32 per cent. The Dutch share of the Indies imports was over 32 per cent in the years immediately preceding 1913, but had declined to an average of about 18 per cent for the years 1925 to 1929. During the next few years the decline was precipitate, the percentage dropping to 9.5 per cent in 1933. The Japanese were aided in their trade invasion of the East Indies by the Dutch policy of maintaining the golden florin while Japan depreciated the yen nearly 40 per cent. The Japanese trade invasion was not confined to the export of goods to the East Indies. Japanese also tried to capture the shipping and distribution business.

The Dutch feared that the commercial invasion would be followed by political penetration. The Dutch were frankly alarmed. A former East Indian official describes the feeling which prevailed as follows: "An atmosphere of nervousness was created, rumors of espionage were in the air and although it was exaggerated to consider every Japanese barber as a disguised officer, or to believe that every fisherman held a high rank in the navy, it could not be denied that there was sufficient room for suspicion."¹⁸

The East Indies Government took action to combat the Japanese trade invasion. It did this not merely to save a certain proportion of the East Indies market for Dutch goods, but for a number of other reasons as well. The Government felt that it had to protect Indies industries and the existing distribution system, and, as much as pos-

¹⁸ Van Gelderen, *The Recent Development of Economic Foreign Policy in the Netherlands East Indies*, p. 22.

sible, the markets for East Indies exports. Most countries of the world had adopted a policy of "We buy where we sell," but while Japan was selling increasing quantities of goods in the East Indies market it was buying little in return. For example, when Japanese goods constituted nearly a third of the total Indies imports, Japan's purchases constituted only about 5 per cent of the East Indies exports. Western countries, however, purchased considerably more from the East Indies than they sold to it. The Dutch felt compelled, therefore, to depart from that thoroughgoing open-door policy which they had maintained so successfully for over half a century. The reason for the departure was well summarized by the Vice-President of the Council of the Indies when he said that the open door might readily become the entrance to the Japanese house.

By means of the imposition of quotas, both general and specified, and import licenses the East Indies Government was able to recover a great deal of the market for the Netherlands and other Western countries. In 1937 the Japanese percentage of the Indies imports had fallen back to 25 while the Dutch percentage was up to 19, which was 2 per cent higher than the average for the five-year period from 1925 to 1929.

During this period the two countries were also engaged in a war of shipping rates. The Japanese companies took advantage of the very liberal East Indies shipping regulations and were extending into the interisland shipping business. The shipping war also had a political aspect. Japanese rates were so much cheaper than Dutch rates that Kobe was becoming the maritime center of the western half of the archipelago—what the Dutch call the Great East. Kobe was more easily reached from these islands than Batavia.

Since Japan was the chief sufferer from the trade restriction measures, it naturally felt aggrieved. It asked that the two countries should meet in conference to seek a solution to the difficulties which had arisen between them. The Dutch feared that the Japanese had political as well as commercial ends in view in asking for a trade conference. They feared that the Japanese would use the opportunity to play up

to the natives, since there was an incipient Japanese orientation among certain Indonesians. Students, journalists, and nationalist leaders had been visiting Japan during the last few years. While the Netherlands Government could not deny the Japanese request for a conference, it is surprising that it should have permitted the conference to be held at Batavia.

In his opening speech at the conference, Nagoaka, the chief of the Japanese delegation, stated that the negotiations should be conducted primarily in the interests of the native population. He also referred to the vast opportunities of economic development of the Outer Islands and hinted at joint Dutch-Japanese exploitation of their resources. This remark was regarded by the Dutch as especially significant for the reason that Matsuoka had dropped a similar suggestion at a public meeting on a visit to The Hague two years earlier. Nagoaka also inquired into the diplomatic authority of the East Indies Government. While the conference was sitting, the trade war waxed more bitter. Even while the conference was in session, the East Indies Government added additional articles to the quota lists, and a Japanese export guild, which had acquired a virtual monopoly of a certain type of ware, suddenly refused to permit its goods to go to the East Indies. The negotiations dragged on, the conference sitting intermittently from June to December, 1934. It finally broke up in complete failure.¹⁴

A year later a semiofficial shipping conference met at Kobe. This conference never even got under way. Since nothing was said about what would be the official language of the conference, the Dutch delegates assumed it would be the common trade language of the Far East, English. The Japanese delegates, however, insisted that Japanese be the language of the conference. The Dutch delegates were prepared to admit the use of both Japanese and English as languages of the conference, but insisted that the minutes and agreements be registered in English, chiefly for the reason that the Japanese language

¹⁴ In the course of the conference the Dutch had not a little trouble with Japanese journalists. The East Indies Government deported several Japanese journalists because of the critical and political nature of their journalistic dispatches and their activities in the Indies.

lacks precision. After a month's wrangling over the language question the Dutch delegation returned to the East Indies.¹⁵

The shipping controversy was suddenly brought to an end in July, 1936, when a leading figure in the Japanese shipping business made a visit to the East Indies. An agreement was reached whereby the Nanyo Kazun Kaoushiki Kaisha, the company in which all the Japanese lines with the East Indies had been merged, and the Dutch Java-China-Japan line divided the shipping business between the two countries. Of the transport from Japan to the East Indies the N. K. K. K. received 62 and the J. C. J. line 38 per cent, and of the traffic in the other direction the percentages were 60 and 40, respectively.

On the surface, Dutch-Japanese relations began to improve after the conference. Contact between the Japanese Government and the advisers of the Indies Government was never broken, and piecemeal a number of issues were adjusted. Debuchi honored the Indies by a "good will" visit in 1935 and a new, able, young man by the name of Ishizawa was made Japanese consul general at Batavia, who did much to improve relations. But Dutch fears were never allayed. There was continued trouble with Japanese fishing vessels in Indies territorial waters. There have been reports of Japanese penetration of the Portuguese part of the island of Timor, situated about midway between Java and New Guinea, and there were rumors that Japan was seeking to purchase the Portuguese possession, though this was denied by both governments.

In the past decade the Dutch have feared that the first objective of Japanese imperialistic aims in the South Seas may be New Guinea. The Nanyo Kohatsu Kaisha, a subsidiary of the Oriental Development Company, has a concession of about 5500 hectares in New Guinea, which it took over from a German company. Here the Japanese are experimenting with growing cotton. In 1935 this company asked for permission to import a thousand Japanese families, but this request was denied. The economic value of the Netherlands part of this island is very doubtful, but it might serve as a useful base in

¹⁵ *Japan Weekly Chronicle*, January 1, 1935, p. 144, and March 7, 1935, p. 315.

support of other Japanese naval bases in the mandated islands, particularly in a war with the United States. Not far from New Guinea is the Japanese settlement of Davao in the Philippines. Indeed, Davao is so near Miangas, the northernmost Indies island, that some of the children of the island are sent to Davao to go to school—which caused the editor of a Dutch paper in Batavia to declare indignantly, “here are a couple of dozen subjects of Her Majesty who know some Japanese but no Dutch.”

The Dutch part of New Guinea has a tremendous area—fifteen times that of the Netherlands—but its territory is composed mostly of vast morasses and steep mountain peaks. This vast area has an indigenous population of only 400,000 Papuans, pygmies and near pygmies. When at the turn of the century the Dutch brought the Outer Islands under administrative control New Guinea was left practically untouched. Because of its distance from Java, inaccessibility, and doubtful economic value it was allowed to remain virtually unoccupied. The only significant activities were carried on by Christian missionaries. A few exploratory expeditions, a few feeble attempts at military and administrative occupations, outside of a few posts on the coast—that was about all the activity displayed by the East Indian Government on this island until about 1935.¹⁰ Then it vigorously undertook the work of military and administrative penetration and economic development. It was forced to it by the tense international situation, for the cost of all this activity is great and the economic prospects are still small. The work was undertaken as an inescapable international necessity. A company, formed as a subsidiary of Dutch, British, and American companies already working in the Indies, was granted broad rights of prospecting for gold and oil. To date the prospecting has been unfruitful. After several million florins were spent, prospecting for gold was abandoned in 1939. The concession was so large that Thamrin, the leader of the extreme Indonesian Nationalists, declared with much exaggeration that the Government, suffering

¹⁰ See *Nieuw Guinee*, a survey prepared by the Molukken Instituut (Amsterdam), Vol. I, 1935, Vol. II, 1937.

from a fear complex, was wildly giving the resources of New Guinea away, that there was a sort of liquidation of New Guinea. But the general feeling that prevailed in the Volksraad and outside of it was that New Guinea had to be developed if it was to remain a part of the country.

JAPANESE SOUTHWARD POLICY

What the Dutch watch with the greatest concern is the so-called "Southward policy" advocated by the navy and other groups in Japan. Many articles have appeared in the Japanese press on the South Sea Island policy.¹⁷ Most of the articles are rather vague. Just what comprises the South Seas is not always made clear, nor the objectives of the policy. To some it means merely seeking more liberal trade opportunities; to others it involves asserting the right to develop what others appear to be neglecting; and to still others it suggests actual acquisition of territory. Advocates of the policy declare that Manchukuo is a disappointment as a source of raw materials or as a market for commodities; that Japan's attention is too much engrossed on the Asiatic continent; that there is a danger in relying too heavily on the continent because Japan may some day be cut off from it by military action; that expansion southward overseas would bring far greater returns at less cost; and that, anyway, expansion on the continent should be balanced by overseas expansion. There is in Japan a South Seas Association, of which Prince Konoe, President of the House of Peers, is the head. Under its auspices distinguished Japanese in all walks of life are brought together to discuss the Southward policy.¹⁸

Two incidents may be referred to as illustrations of what the Dutch regard as straws indicating which way the wind is blowing. When the office of Governor General of Formosa fell vacant in 1936, Admiral

¹⁷ A good example of this type of article is one by Professor Tadao Yanaihara of the Imperial University at Tokyo in the *Kaizo*. A translation of the article can be found in the *Japan Weekly Chronicle*, June 14, 1936. A book on the subject has recently been published in Japan, *Nanshinseisaku No Samushiki* (The New Recognition of the Southern Policy), by Shoji Iizawa, Tokyo, 1939. Both writers emphasize the peaceful, economic character of the policy. A brochure, *Japan in the South Seas*, published by the Foreign Affairs Association of Japan, is another recent example of this type of literature.

¹⁸ *Japan Weekly Chronicle*, December 26, 1935.

Nagano, Minister of the Navy, suggested to the Premier that since Formosa is a key position in the execution of the Southward policy and in safeguarding Japan's southern line of defense the practice of having a civilian as Governor General should be discontinued and a naval officer should be named to fill the post. The Navy Minister's proposal called forth vigorous protests from the Peers and permanent officials. A sharp controversy prevailed for a time, but moderate counsel came to prevail. The result was a compromise—a retired admiral was appointed.¹⁹ In March, 1937, an interesting interpellation took place in one of the committees of the Japanese House of Representatives. Mr. Heigoro Sakurai, of the Minseito Party, stated that New Guinea, which is more extensive in area than the mainland of Japan, is still left in an undeveloped state and asked whether the Government did not think it advisable, as one means of settling the population problem, to open negotiations with the Netherlands Government with a view to securing a perpetual lease of the country. In order to preclude any suspicion of territorial designs he suggested that the Government should at the same time conclude a nonaggression agreement with the Netherlands Government. General Hayashi, the Premier and Foreign Minister, said that, on the whole, he shared the interpellator's views. Japan, he declared, had no territorial designs on the East Indies, but the Government recognized the necessity of Japan's economic development in the South Seas. In shaping a course to attain this end the Government would have to take the position and sentiment of the other party into careful consideration. The question of the lease of New Guinea, the Premier declared, had not yet been studied by the Government, but the interpellator's suggestion would be given careful attention.²⁰

It is against this background of a vague, potential Japanese threat that the Dutch viewed the rumor of a secret clause in the Japanese-German Anti-Communist Pact of 1936 providing for the division of

¹⁹ *Japan Weekly Chronicle*, September 10, 1936, and also the dispatch of Hugh Byas in the *New York Times*, August 30, 1936

²⁰ *Japan Weekly Chronicle*, March 4, 1937

the Dutch East Indies into spheres of influence.²¹ Mr. Tanichiro Yoshida of the Japanese Foreign Office came to the East Indies in January, 1937, apparently to seek to dispel Dutch fears of the existence of the secret protocol. Since then events have moved rapidly, and not in a direction favorable to the Dutch. The occupation by Japan of Hainan and the Spratly Islands gave reality to the Southward policy. It brought the Japanese nearer to the East Indies and reduced the military value of Hong Kong and the French naval bases in Indo-China. The date of Philippine independence is also drawing near.

DIPLOMATIC EVENTS SINCE THE OUTBREAK OF THE WAR

On February 13, 1940, the Japanese Government gave notice to the Dutch Government of the denunciation of the arbitration treaty between the two countries, which as a result expired in August. The Japanese Government declared that the action had no political significance. It was pointed out that the treaty contained provisions for submitting disputes to the Permanent Court of International Justice, and since Japan had withdrawn her membership from the Court she wished a new treaty containing no references to that body. The Netherlands Government had already agreed to begin such negotiations. While the denunciation was explained as a technical detail connected with the negotiation of a new treaty, there was some speculation concerning whether it did not mean something more. In a speech on policy on February 1, Foreign Minister Arita had declared: "With regard to the South Seas regions the Japanese Government is desirous of maintaining with them a relationship of co-existence and co-prosperity through economic coöperation and collaboration in the development of the natural resources. We intend to put forth every effort toward enhancing the existing close relations between Japan and those regions." Diplomatic circles in Tokyo wondered if there might not be some relationship between the denunciation of the treaty and the American denunciation of the United States-Japanese Commercial Treaty and the possibility that it opened for an Ameri-

²¹ See *New York Times*, November 26, 1936.

can embargo. It might be part of a plan to counteract a possible American embargo by obtaining access to East Indian oil fields. In other quarters it was thought that the denunciation might mean a desire on the part of the Japanese Government to free her hands for possible action against the Dutch East Indies in order to take advantage of the situation created by the war in Europe.²²

On April 8 the Amsterdam correspondent of Stefani, Italy's official news agency, reported that if the Netherlands became involved in the war "the independence of Netherlands India will be placed under the high protection of a great power which is neither Great Britain nor Germany." In Rome this was interpreted to mean the United States, but well-informed circles in The Hague stated that there was no foundation for the report and official circles in Washington scouted the idea that the United States would undertake to defend Netherlands India, even if requested to do so.²³

A week later the Japanese Foreign Minister, Hachiro Arita, made a significant statement to the press. Instead of turning the statement over to the usual Foreign Office spokesman to give out to the press, Minister Arita read the statement himself. The official English translation reads as follows:

With the South Seas region, and especially the Dutch East Indies, Japan is economically bound by an intimate relationship of mutuality in ministering to one another's needs. Similarly other countries of East Asia maintain close economic relations with these regions. That is to say, Japan, those countries and these regions are contributing to the prosperity of East Asia through mutual aid and interdependence.

Should the hostilities in Europe be extended to the Netherlands and produce repercussions in the Dutch East Indies, it would not only interfere with the maintenance and furtherance of the above-named relations of economic interdependence and co-existence and co-prosperity, but would also give rise to an undesirable situation from the standpoint of peace and stability in East Asia.

In view of these considerations the Japanese Government cannot but be deeply concerned over any development accompanying the aggravation of the war in Europe that may affect the status quo of the Dutch East Indies.²⁴

²² *Ibid.*, February 13 and 14, 1940

²³ *Ibid.*, April 9, 1940.

²⁴ *Ibid.*, April 16, 1940

On the same day Minister Arita summoned the Dutch Minister to the Foreign Office and informed him of Japan's deep concern over the possible effects of the European war on Netherlands India and asked that he transmit this view to his Government.

Two days later, on the 17th of April, Secretary of State Hull issued a statement in response to the one by the Japanese Foreign Minister. Secretary Hull pointed out that "any change in the status of the Netherlands Indies would directly affect the interests of many countries" because of their geographical position and their importance in the commerce of the whole world as a producer of important essential commodities. "Intervention in the domestic affairs of the Netherlands Indies or any alteration of their status quo by other than peaceful processes would be prejudicial to the cause of stability, peace and security not only in the region of the Netherlands Indies but in the entire Pacific area." He referred to the exchange of notes²⁵ between the United States and Japan on November 30, 1908, "in which each of the two governments stated that its policy was directed to the maintenance of the existing status quo in the region of the Pacific Ocean." This doctrine, he stated, was reaffirmed in the identic notes which the parties to the Four-Power Treaty of 1921 sent to the Netherlands Government on February 4, 1922.

Secretary Hull concluded his statement as follows:

All peaceful nations having during recent years been earnestly urging that policies of force be abandoned and that peace be maintained on the basis of fundamental principles, among which are respect by every nation for the rights of other nations and nonintervention in their domestic affairs, the according of equality of fair and just treatment and the faithful observance of treaty pledges, with modification thereof, when needful, by orderly processes, it is the constant hope of the Government of the United States—as it is no doubt that of all peacefully inclined governments—that the attitudes and policies of all governments will be based upon these principles and that these principles will be applied not only in every part of the Pacific Area, but also in every part of the world²⁶

²⁵ The Root-Takahira Agreement

²⁶ *New York Times*, April 18, 1940.

The statements by the two foreign ministers aroused much interest everywhere. Secretary Hull's statement was received in silence by the Japanese Government, but the Japanese press received it "with an outburst of anger," according to reports from Tokyo.²⁷ The Dutch Government informed the Japanese Government that should the Netherlands become involved in the European war no protection for the Indies would be requested or accepted from any power and that the Indies Government was juridically entitled to administer, and was capable of insuring the fullest administration of, those territories.²⁸ Unofficial opinion apparently viewed the Hull statement with satisfaction, but East Indies shares suffered a severe slump on the Amsterdam bourse.²⁹ In Australia the Japanese statement evoked a discussion in Parliament. The Labor Opposition indicated that it would support an Australian expeditionary force to the Dutch East Indies in the event of a German attack on the Netherlands and suggested that a mobile military force be stationed in the north for use in an emergency. Any threat to Netherlands India, it was held, would prejudice Australian safety.³⁰

When the news of German invasion of the Netherlands reached the Indies, Governor General Tjarda van Starkenborgh Stachouwer issued a proclamation placing the entire country under martial law. He declared that the Government was able to guard its territory and that any help from other countries would be rejected as unwelcome.³¹ On May 11 the Japanese Government served notice on representatives of the belligerent powers and the United States and Italy, "for their reference," that she was deeply concerned over the possibility of the spread of hostilities to the Dutch East Indies. The Dutch Minister was received by Foreign Minister Arita, who reminded him of the statement made by the Dutch Government in April that it was determined to prevent any change in the status quo in the East Indies and that Japan "earnestly hoped that the determination would be carried out."³² From Tokyo it was reported that the Japanese consul general

²⁷ *Ibid.*, April 21, 1940

²⁸ *Ibid.*, April 19, 1940

²⁹ *Ibid.*, April 22, 1940

³⁰ *Ibid.*, April 18, 1940

³¹ *Ibid.*, May 11, 1940.

³² *Ibid.*, May 12, 1940.

at Batavia had informed the East Indies authorities that Japan expected that her imports from that country would not be seriously affected by its exports to other countries.³³ The British and French landed forces in the Dutch West Indies, but gave Japan assurance that similar action would not be taken in the East Indies since they believed that the defense forces there were sufficient to maintain the defense of the dependency. Great Britain, France, and the Netherlands assured the Japanese Government that they had no intention of altering the status quo of the East Indies.³⁴ The only discordant note in the status quo chorus came from Germany. The German Government informed the Japanese Government that it was not interested in the Netherlands Indies problem. It seemed to waive any claim that it might have to the Indies as a result of the conquest of the Netherlands and to agree to any action that Japan might take.³⁵ Later the problem became a bit confused. Germany charged the Netherlands Indies Government with maltreating German residents, many of whom were interned upon the invasion of the Netherlands. The Japanese Foreign Office requested from the Dutch Minister information about the charges.³⁶

A few days later Foreign Minister Arita again expressed grave concern over the future status of the East Indies. In a public address he declared that it "is but natural that Japan should entertain the most serious concern over the maintenance of the economic status quo there as well as the political." "Japan as a stabilizing power in this part of the world has more than a passing interest not only in the Chinese continent but in areas to the south," he asserted. "Our situation may be likened to that of the United States, which cannot remain indifferent to developments in Mexico and Venezuela."³⁷

There has naturally been much speculation on the reason for the statement of April 15 by the Japanese Foreign Minister. It may have been in response to the report a week earlier that a Great Power was

³³ *Ibid*, May 13, 1940.

³⁵ *Ibid*, May 29, 1940.

³⁴ *Ibid*, May 14, 1940

³⁷ *Ibid*, June 4, 1940

³⁶ *Ibid*, May 23, 1940. Report from Tokyo.

going to extend its protective custody over the East Indies. Or it may have been made out of fear that the United States might at any moment impose an embargo against Japan, in which case Japanese dependence upon East Indies products, especially oil, might become very great. It is significant that the Japanese Government seemed as much concerned about the economic as the political status quo of the islands. It may also have feared an attempt on the part of the German residents of the East Indies to take over the Government and thus cause interference with the foreign trade of the country. It also seemed to fear a diversion of exports to the Allies, with the result that exports to Japan would suffer reduction. Another possibility is the most obvious one—that the Japanese Government feared a transfer of the East Indies to some other power and that it used this method to head it off. The most generally held view in the West was that Japan was staking out a claim for itself.

None of these interpretations may be correct. An American student of Far Eastern politics suggests that it may be only a diplomatic move to obtain concessions elsewhere,³⁸ namely, in China. Japan might be willing to give a pledge of noninterference with the East Indies in exchange for a recognition by the Western Powers of Japanese arrangements in China. An attack on the East Indies would involve grave risks. The distance from the Japanese naval base at Formosa to New Guinea is 1000 miles. A large military expedition would strain Japanese shipping. Moreover, the Dutch defense forces might receive aid from the British, French, and Australian forces. While the United States might not be willing to send its fleet to the aid of the Dutch, there is the danger that it might impose an embargo upon a new provocation. A large-scale military-naval expedition to the distant Indies would also expose Japan to a flanking movement from the Soviet Union. For these reasons, an attack on the East Indies would involve greater risks than the Japanese Government would dare to undertake. Should the Allies lose the war in Europe the whole question would take on a new aspect.

³⁸ T. A. Bisson in the *Foreign Policy Bulletin*, April 26, 1940

Japanese spokesmen base their claims for Japanese interest in the East Indies on several factors, such as a market for Japanese goods, a source of raw materials, an outlet for Japanese surplus population. It cannot be denied that Japan finds in the Indies a considerable market for her goods, and this market would be greater but for trade restrictions. In 1937 Japan exported 124,000,000 florins worth of goods to the East Indies. But it is not true that Japan is in especially great need of the East Indies natural resources, for her purchases of them have been relatively small. In 1937 Japan bought only 42,252,000 florins' worth of goods from the East Indies, or less than 5 per cent of the total exports of the country. It may be seriously doubted whether the East Indies can offer any direct outlet for Japanese surplus population. Java is already very much overpopulated and the Japanese would seem to have a prior moral claim to such outlets for population as exist in the Outer Islands. But the amount of population which these islands can support is not unlimited. Two of the largest islands, Borneo and New Guinea, certainly will never be able to support large populations. The number of Japanese who have thus far felt impelled to go to the East Indies is very small. There are probably not over 10,000 Japanese in the Indies today. Japanese investments in the Islands are also small, compared to the total foreign investments. They are estimated at something like 30,000,000 florins. The Japanese demands, however, should be seen in the light of their hopes for a Chinese-Japanese-Manchukuo economic bloc. To be really effective, this proposed economic bloc should include a large tropical area.

Chapter XXII

RECENT DEVELOPMENTS

EFFECT OF THE WAR ON FOREIGN TRADE AND ECONOMIC CONDITIONS

THE WAR caused very great shifts in the foreign trade of the Indies. The course of events of the first year of the conflict—the entrance of Italy into the war and the occupation of much of Europe by Germany—cost the Indies, in comparison with 1939, no less than 39 per cent of its total exports and 23 per cent of its imports. With respect to several commodities, such as rubber, quinine, and tin, this loss was offset by an increased export to other markets. A shortage of shipping tonnage, and, after the invasion of Holland, the establishment of priority regulations to assure production of war supplies for the Allies, added to the difficulties of the export trade. Practically all exports were placed under a licensing system. The foreign trade of the Indies was further seriously disrupted in July, 1941, when the Netherlands Indies joined the Allied countries and the United States in invoking economic sanctions against Japan. In 1940 Japan supplied nearly 25 per cent of the Indies imports, though it took only 5½ per cent of the Indies exports.

The country absorbed these shocks to its foreign trade without great difficulty. The war created so lively a demand for its export commodities that the value of its exports soared; its export surplus in 1940 was slightly higher than for the boom year of 1937. The value of the exports was estimated at 940 million florins and the imports at 432 million florins, thus producing an export surplus of more than half a billion florins. The exports were dominated by rubber and tin, and to a lesser degree by petroleum and its products. Rubber and tin accounted for nearly half the value of the year's total exports, and if to these two products petroleum is added, two-thirds of the value of the total exports. The value of the exports of Deli tobacco, cinchona,

and quinine also increased during 1941, but the export value of a number of products—sugar, copra, tea, pepper, and palm oil—declined.

Recent trade developments with the United States indicate the incalculable importance of the Indies to the American rearmament economy. While the Indies is greatly dependent upon the United States for its supply of armaments and diplomatic and potential military support, it may be truly said that the United States is hardly less dependent upon the Indies for vital supplies for its armament program. Trade between the United States and the Netherlands Indies has increased rapidly during the past few years, and very notably in the first six months of 1941. The value of the trade between the two countries for the first half of 1938 was \$48,195,000; for the same period in 1939, \$57,523,000; and for this period in 1940, \$89,778,000. For the first six months of 1941 the United States–Netherlands Indies trade reached the value of \$146,620,000. The value of the trade between the United States and the Indies for the first half of 1941 was 10 per cent larger than the value of the trade for the whole of 1939, and 50 per cent larger than for 1938. Our trade with that distant dependency for the first half of 1941 was nearly double what it was for the same period in 1938 and amounted to nearly 4 per cent of the total United States foreign trade. From January through June, 1941, United States exports to the Indies amounted to \$49,724,000 and imports from the Indies, \$96,896,000. While the United States import surplus is still large, it is decreasing. The war in Europe and the freezing of Japanese credits is compelling the Indies to turn to new sources for supplies. Could the United States immediately fill the large Indies Government orders for armaments and other war materials, the import surplus would rapidly disappear. The figures on the increased trade between the United States and the Netherlands Indies does not fully reveal the importance of the Indies for American war economy, for rubber, tin, and quinine are essential wartime commodities.

For the Netherlands Indies the importance of this trade is also very great. In 1940 the United States took a third of the Indies exports, taking first place among the customers of the Indies. The ac-

tual amount exported to the United States was probably greater than even the figures indicate, for a considerable proportion of the exports to Singapore ultimately find their way to this country. In 1940 more than half the exports of ten leading Indies export commodities and more than a fourth of the exports of nine other commodities went to the United States. The economic interdependence of the two countries, for the moment at least, has become very marked.

ECONOMIC CONDITIONS

The shift in the export demand for various articles had its effect on the internal economy of the country. Regions producing the so-called "strong products," namely, rubber, oil, cinchona and quinine, coal and bauxite, enjoyed prosperity, while the regions primarily engaged in the production of the weaker products, namely, copra, sugar, coffee, tobacco, and pepper were experiencing some difficulty. West Java, Sumatra, and Borneo profited from the shift, while Middle and East Java, Celebes, and the eastern islands, since they produced little of the "strong products," found their "economic position" less favorable.

The severance of relations with the territory of the metropolitan country has had far-reaching consequences for the economic and cultural life of the Netherlands Indies. It has led to the institution of an independent monetary system with a unit the value of which is protected by exchange regulations. Because of the great export surpluses no difficulty has been encountered in maintaining the exchange value of the Indies florin. So favorable is its exchange position that the Netherlands Indies has been able to use part of its dollar-exchange surplus to support its ally, Great Britain, with which the Netherlands Government has concluded a monetary agreement.

Because of the impossibility of remitting to the Netherlands and other countries accrued obligations, the East Indies financial market has had ample funds for investment in new productive enterprises. After the occupation of Holland the headquarters and administration of many companies operating in the Indies were transferred to the Indies and independently operated from there. The policy of the

promotion of industrialization which the Indies Government had adopted a few years back received further stimulation from the severance of trade relations with Europe and later with Japan, both large suppliers of Indies imports. Since the beginning of the war a large number of new factories have begun operations. These manufacture a variety of articles, such as paper, earthenware, aviation gasoline, tin articles, rubber ware, and incandescent lamps. The textile mills have been enlarged, and exploitation of chromium and nickel ores has been undertaken. Many other industrial projects are under way. In March, 1941, the Volksraad approved a Government proposal to allocate 10,000,000 florins in support of essential new industries. An industrial council, composed of the directors of several government departments and the president of the Java Bank, was instituted to guide and stimulate the creation of new industries. An aluminum factory, an industry for iron and steel preparation, a factory to produce ammonia, sulphate, and other chemical products, a glass industry, a plywood factory, and more spinning and weaving mills are under construction.¹

All this has been accompanied by certain educational and cultural developments. Previous to the invasion of the Netherlands, the Indies imported nearly all of its technically and professionally trained personnel. It is now planned to expand the facilities for trade and technical training in the Indies. The Law and the Medical Colleges at Batavia, the Technical College at Bandoeng, and a newly created Literary Faculty, have been united in a University of Netherlands Indies. It is planned to add an agricultural college in the near future. The university now gives courses for the training of candidates for the Indies Civil Service, and schools for the training of army and naval officers have likewise been opened in the Indies. Cut off from the supply of magazines, journals, and books published in Holland,

¹ See article by H. Cohen, "De economische toestand van Nederlandsch-Indië, in 1940," *Economisch Weekblad*, May 30, 1941. The value of Indies industries, exclusive of agrarian and mining industries, nearly doubled in the course of the last decade, having increased from 262,000,000 florins in 1930 to 450,000,000 florins in 1940. The industries are practically all centered in Java.

the East Indies has begun many new publications to supply the scientific, literary, and cultural needs of the Indies population. Thus as a result of the war the cultural as well as the economic and political autonomy of the Indies has been stimulated and advanced.

The generally favorable economic conditions are reflected in the receipts of the Government. The export duties alone yielded 57,000,000 florins in 1940. The purely ordinary receipts reached 400,000,000 florins in 1940 and the purely ordinary expenditures almost exactly equaled this sum. The armament expenditures, while considerably increased in 1939 and 1940, did not cause great budgetary deficits until 1941. At the end of 1940 the debt of the Central Government stood at a billion and a half florins, which is about what it was at its peak a few years ago. For 1941 and 1942 the results will be quite different. Taxes cannot be increased much more, if at all, and armament expenditures are mounting.² The Volksraad of 1941 voted 530,000,000 florins for armaments, an amount equal to all ordinary expenditures in the prosperous years before the depression.³

The profound changes in the economic structure and policies of the Indies brought about by the depression and the war have been summarized by Dr. H. J. van Mook, former Director of the Department of Economics, later Lieutenant Governor-General, and now Minister of Colonies in the Netherlands government in London.⁴ Before the economic crisis, says Dr. van Mook, government interference in economic life was limited to the regulation of land tenure and a few measures concerning labor. The crisis caused the government to take measures for the stabilization of small farmers' incomes, the regulation of imports for protection against Japanese competition, and the development of industry. To achieve these ends a Department of Economic Affairs was created, with new officials and businessmen as members, and the organization of business was overhauled and

² The tax yield, however, was still increasing. Tax receipts for the first six months of 1941 ran about 27 per cent above the collections for the same period of 1940.

³ This section, thus far, was written before the Japanese invasion of the Indies.

⁴ In an address before the Commerce and Industry Association of New York, January 12, 1943. *Netherlands News*, Vol V, Sec. D.

stimulated. The execution of government measures was entrusted to special boards, any differences of opinion being arbitrated by government officials.

"Wherever possible," continues Dr. van Mook, "the indirect method of regulation and control was followed through the manipulation of stocks or the regulation of expansion of several industries. In cases where the existing productive machinery showed a great excess capacity, or where imports had to be limited, a quota system was necessary. The infusion of a dynamic element in the development of business under quota systems was the most difficult of all. The transition from defense of vested interests in liberty to the defense of vested interests in regulation was wonderfully rapid.

"War brought the necessity of extensive price control, control of exchange, limitation and prohibition of nonessential imports. Several new branches of export had to be organized against loss of markets. The development of industry took a new direction. The methods, however, remained the same. A totally new relation between government and industry arose from the invasion of the Netherlands. Most of the larger business concerns had both their directorates and their shareholders in Holland. A board, instituted by the government and composed of a wide range of first-class people, was charged with the reconstruction of the managing and controlling machinery in the Indies. This board exercised the functions of the shareholders' meeting and in this way a certain responsibility of business management to an official institution was created. This worked well as a result of a happy and adaptable constitution of the board."

Looking ahead to the problems of postwar reconstruction, Minister van Mook has the following to say: "If the Netherlands Indies will not be confronted with the vast problem of changing a war industry into a peace industry, they will have to cope with the equally difficult problems of reconstruction. Their poverty will force them to concentrate on the importation of capital goods and to limit their imports of consumer goods. They will have to rebuild their exports, and to reconstruct their well-balanced internal agricultural economy.

They will have to be a party to any systems of world control of raw materials. And they will again be faced by a pressing population problem, necessitating the colonization of waste lands and the expansion of industry.

"If we can follow the old lines of cooperation between government and business, if we can reconstitute the administrative integrity of the government machine, and if we can count on a certain amount of coöperation and orderly change in the rest of the world, these problems should not be unsolvable. But it will be of as great importance to prepare systematically for the problems of peace, as it has appeared important to prepare for war. It may be even more important, because in war, at least, there is a unity of purpose on each side. Lack of preparation for peace may result in chaos. To create such a unity of purpose under peace conditions will still need a great amount of discussion, of persuasion, and of public education."

POLITICAL DEVELOPMENTS

The German invasion of the Netherlands evoked remarkable demonstrations of sympathy and loyalty from all regions, races, and classes in the Indies. The loyalty of the Indonesians was expressed in many ways, and not least by the generous gifts made by the rank and file to the various voluntary war funds. But this did not lessen the desire for political reforms, nor did it cause an adjournment of agitation for constitutional changes. In the 1940 session of the Volksraad, which opened in June, three important reform bills were warmly debated. The bills, introduced by Indonesian nationalists, called for changing the Volksraad into a full-fledged parliament; creating an imperial council; changing the official name of the country from Netherlands Indies to "Indonesia"; and creating an Indies citizenship, which would be conferred on all persons who had attained a certain intellectual and cultural development, regardless of race. The bills found considerable support, even among the European members, but nevertheless were withdrawn by their authors when the Government declared it could not accept them.

The Government on its own initiative now took a step in the direction of satisfying the widespread and deeply felt desire for constitutional reforms. On September 14 it announced the appointment of a commission to ascertain the desires, aspirations, and ideas with respect to the political development of the Netherlands Indies which obtained among the various races and classes of the Indies community and to submit to the Government a carefully prepared report of its findings together with a study of the consequences to government, legislation, and society if the desired reforms should be incorporated in the Organic Law. In its double function of investigation and study the commission was specifically requested to consider the possibility and the consequences of instituting an Indies citizenship and of substituting, in legislation, some other term than "Inlander."

The commission, which was expected to make its report in about a year's time, is composed of seven members, with Dr. F. H. Visman, a member of the Council of the Indies, as chairman. Of the seven members, three are Netherlands, three are Indonesians, and one is Chinese. With respect to professions the composition is as follows: two are members of the Council of the Indies; one was the head of a government department—a position from which he retired before the commission completed its work; one is a member of the Volksraad; one is an engineer in the government service; and two are professors in the Law School. There was criticism of the commission, with respect to both the scope of its charge and its composition. Most Indonesian nationalists and even some Europeans felt that it should at least have been empowered to recommend a specific revision of certain parts of the Organic Law. The membership of the commission was criticized as being too small and too one-sidedly official, and not sufficiently representative since it does include a representative of the Indonesian nationalist movement.

While the Government was fully aware of the political support it would need to carry the Indies through the difficult war years, it objected to the introduction of reforms of a fundamental nature before Holland should be liberated. It objected that the state of mind

and the circumstances which would prevail at the end of the war could not now be foreseen, that political reforms would require legal changes which could not now be made because the Dutch parliament could not lend its cooperation, and that it would be a violation of good faith with the Dutch nation if without this coöperation fundamental changes should be made in the constitutional structure of the Netherlands Indies which would involve also a change in the constitutional structure of the Kingdom. The Government differed with the more advanced advocates of constitutional reforms on several points, namely, the time of inaugurating reforms, the manner of preparing for them, and the extent of the changes. The Indonesian nationalists also demanded an immediate declaration that dominion status and parliamentary government would be the object of the reforms.

Before the Visman Commission had completed its report, more definite commitments were made by the Netherlands Government. In April and May, 1941, the Minister of Colonies, Mr. Welter, and the Minister of Foreign Affairs, Mr. van Kleffens, made a visit to the Indies, probably the first ever made by active members of a Netherlands ministry. In a farewell address over the radio on May 7, Minister Welter declared that, in the political structure of the Kingdom after the war, expression would have to be given to the changed position which the Indies had acquired in and through the war. In a broadcast to the Empire from London, May 10, Queen Wilhelmina likewise promised a change in the governmental structure of the Empire so as to give the various parts the positions due them from the change in conditions. In his address opening the Volksraad on June 16, Governor General Tjarda van Starkenborgh Stachouwer made a declaration, with the approval of the Queen and the ministry in London, that a chief item of the postliberation program would be changes in the constitutional structure of the Empire whereby the status of the Netherlands Indies and the West Indies would be brought into conformity with the importance of these regions in the Empire. Moreover, the internal political structure of the overseas

territories would constitute an integral part of this program. Opportunity would be given to bring to the knowledge of the Crown the desires and ideas obtaining on the subject, in order that these might be carefully considered. The Queen's Government proposed, after the liberation of the Motherland, to call a conference of prominent persons from the various parts of the Kingdom, which should serve the Crown with advice on this subject.

This governmental declaration was generally welcomed, but it did not completely satisfy even the moderate proponents of constitutional reforms, for while it promised reforms it put them off until the end of the war. It is felt that the war may last a long time and that at its end political conditions in the Netherlands may be confused, which may well put off the proposed imperial conference for a further period.⁵ The desire for reforms is so strong that it seems as if the Government will have to yield to it in some fashion before long.

A measure which on its face would seem to be purely military was used by the extreme Indonesian nationalists to promote the nationalist cause. For years the nationalists have demanded a native militia,⁶ but the Government refused to grant the demand on the ground that it was unnecessary and too costly. No doubt the Government felt that the request was made for political reasons, and probably there were members of the Government who thought it unwise to bring a large and uncertain element into the army. In June, 1941, the Government changed its policy and came before the Volksraad with a measure for a native militia. One group of nationalists, the Parindra group, in its annual congress on June 29 and 30, passed a resolution protesting against the introduction of Indonesian militia without an expression of the will of the people through means of a parliament. Its members in the Volksraad abstained from participation in the debate on the measure. The measure was passed on July 11 by a vote of 43 to 4. The 4 votes against it came from 4 Indonesian nationalists; the Parindra members did not vote on the measure.

⁵ See editorial in *Bataviaasch Nieuwsblad*, June 19, 1941.

⁶ See chap. XIX, above

Very shortly after the enactment of the law, induction of Javanese into the army began. In many districts volunteers greatly exceeded the quotas.

The effect of the war on the economic, political, and cultural life of the country is already marked. In every phase of its life the Indies has become more independent of the Netherlands. The old dependence can never again be restored. The Governor General has become, after the Queen, the most influential and powerful official in the Netherlands Government. The Indies has already acquired dominion status in fact if not in law. The great and difficult problem now is to expand the democratic base of the Government and to determine its relations with the other parts of the Empire.

RELATIONS WITH JAPAN

Very shortly after the termination on January 26 of the United States-Japanese Commercial Treaty the Japanese Government, apparently with a view to preparing to meet an American embargo, through its minister at The Hague presented to the Dutch Government a note demanding certain commercial assurances and concessions. The Japanese Government demanded that the Indies Government ease some of its import restrictions, relax restrictions on Japanese immigration, grant freer rights for mineral exploitation, and give the assurance that war staples would continue to be available. The Japanese Government a little later sought to communicate directly with the Indies Government through its consul general at Batavia, on the ground that communications between Tokyo and The Hague were uncertain. A few days after the German invasion of Holland the Japanese consul general demanded reassurance that the export of 13 vital commodities to Japan would be continued. When the Japanese Government received this reassurance it demanded further that the Japanese be given freer entrance to the economic life of the country.

The Japanese now began to press for a trade conference at which various issues would be discussed. The Netherlands and Indies gov-

ernments saw no need for a general conference.⁷ The Indies Government's policy toward foreign persons and interests was liberal and nondiscriminatory, as the large part played by foreign interests in the trade, shipping, and industries of the Indies and the large number of foreigners enjoying the hospitality of the country testified. Moreover, there were certain definite principles of policy which the Government could not abandon or reduce by barter. The promotion of the welfare of the population of the country was a basic policy and this required some restriction of the admission of foreign interests and workers. Moreover, it could not consent to any arrangement that would permit supplies to reach the enemy, whether directly or indirectly. The most elementary conception of its own interests and patriotic obligations demanded this. The Indies Government could see no reason why Japanese interests could not be secured through the regular channels, but the Japanese Government insisted upon a general conference, and the Netherlands Government yielded, though reluctantly.

In Tokyo it was first announced that General Kuniaki Koiso would head the Japanese mission to Batavia, but after he made a statement to the Japanese press derogatory of Dutch rule in the Indies the Indies Government refused to accept him. Mr. Ichiro Kobayashi, Minister of Commerce, was thereupon appointed as head of the mission and on September 12 he arrived in Batavia. The Dutch Government did not appoint a formal delegation until the arrival of Kobayashi, when Mr. J. van Mook, Director of the Department of Economics in the Indies Government, was made head of the mission, with diplomatic status.

Oil seemed to be the first concern of the Japanese, for already in August Mr. T. Mukai, President-Director of the Mitsui Company, had arrived to negotiate for greater shipments of oil from the Indies to Japan. Eastern Asia, with more than half the world's population, consumes only 5 per cent of the world's total oil production, and it produces even less—about $3\frac{1}{2}$ per cent of the world's production.

⁷ Statement of the Governor General to the Volksraad, June 16, 1941.

Nor is the production of oil in eastern Asia evenly distributed. Four-fifths of the oil production of eastern Asia is produced by the East Indies. The annual production of the Indies is approximately 60,000,000 barrels, or 2.8 per cent of the world's total. Japan's consumption of oil in 1939 was estimated at about 40,000,000 barrels, of which it produced, itself, only a little more than 3,000,000. Of the 27,300,000 barrels it imported in 1939, 19,400,000 barrels came from the United States, mainly from California, 14,600,000 barrels came from the Netherlands Indies, and 3,300,000 barrels were imported from other countries.⁸ These figures indicate that the control of the oil production of the East Indies is one of the most important strategical problems of eastern Asia.

The Netherlands delegation took the position that since the Indies Government did not itself produce oil an agreement would have to be reached between the oil-producing companies in the Indies and the oil-importing interests of Japan.⁹ The Japanese, who were purchasing 495,000 tons of oil from the Indies, sought an agreement for 3,100,000 additional tons for the year 1941. After weeks of negotiation the Indies producing companies agreed to an increase of 1,306,000 tons, or a total of 1,800,000 tons of oil over the next twelve months.¹⁰ This agreement, which provisionally ran for six months, was renewed in May for another six months. The Japanese obtained no aviation gas under the agreement. The Indies had only just begun producing high-octane gas and it had no surplus for export after supplying Dutch and British needs. The Japanese had also to agree to reexport none of the oil to Germany.

The negotiations had hardly begun when there came the startling announcement of the conclusion of the Three-Power Pact between Germany, Italy, and Japan on September 27. The conference, which was still in the orientation stage, did not break up, but negotiations

⁸ See *Oil and Gas Journal* (Tulsa, Okla.), August 31, 1939

⁹ The Royal Dutch Shell (British-Dutch) and the Standard Vacuum (American) interests produce all the oil of the Indies, the former about three-fourths and the latter one-fourth of the production.

¹⁰ Of which 1,040,000 tons were to be crude oil and 760,000 tons refined.

did not proceed until the Japanese delegation made the statement that the Japan-Axis Pact in no way affected the maintenance and promotion of friendly relations between Japan and the Indies, that Japan did not regard the Indies as falling within its living space, and that it did not pretend to leadership in the Indies.¹¹ But hardly had the negotiations been resumed when Minister Kobayashi, head of the Japanese mission, was called home. Over a month later, on November 30, Mr. Kenkichū Yoshizawa, veteran diplomat and former foreign minister, was appointed to succeed Kobayashi as chief negotiator and he did not arrive at Batavia until December 28.

The negotiations were again hardly under way when another incident occurred to impede the progress of the conference. In a speech to the Diet on January 21, Foreign Minister Matsuoka declared the Indies to be included in the co-prosperity sphere of Greater Asia. The Netherlands Government at once instructed its minister at Tokyo, General Pabst, to inform the Japanese Government that the Dutch Government emphatically rejected the Japanese pretensions. The Dutch feeling was further aroused by a statement reported to have been made by Chuichui Ohashi, Vice Minister for Foreign Affairs, that Japan would henceforth ignore the Netherlands Government, which had been transferred to London. Interrupted and impeded by one incident after another, the negotiations dragged on. The Japanese and Dutch delegations exchanged proposals. On the basis of this exchange the Japanese presented a final plan, including terms regarding Japanese entry into the country, enterprise, communications, and transport.¹² The Dutch delegation delayed its reply to the Japanese plan, and all efforts of the Japanese to force a speedy reply were unavailing. In Tokyo, on May 19, the Dutch minister was called in by the Vice Minister of Foreign Affairs, Mr. Ohashi, and presented with a demand for a response from his Government, while Mr. Matsuoka through Ambassador Sir Robert Craigie "requested the British

¹¹ A joint statement to this effect was made on October 17 by the two delegations.

¹² Kohtaro Ohye, "The Batavia Conference Suspended," *Contemporary Japan* (Tokyo), August, 1941

Government not to put obstacles in the way of the negotiations." On May 30, Mr. Matsuoka in an informal talk stated that "although the Japanese southward policy was primarily animated by peaceful motives, it might be reconsidered should it be found impossible to carry it on peacefully." At the same time the Japanese press conducted a campaign of hostility against the Dutch.¹³

On June 6 the Netherlands delegation presented to the Japanese the long-awaited reply. The contents of the note were not disclosed, but the Tokyo Government declared the reply to be unsatisfactory. On June 17, Mr. Yoshizawa called on Governor General Tjarda van Starkenborgh Stachouwer to inform him of his Government's views, and of the hope that the Indies Government would reconsider its position. When the Governor General replied that the Dutch note of June 6 was final, Mr. Yoshizawa stated that he had been instructed to withdraw his delegation. Immediately after the audience with the Governor General, the two delegations issued the following joint communiqué: "Both the Netherlands and the Japanese delegations greatly regret that the economic negotiations which have been conducted between them have unfortunately come to no satisfactory result. It is needless, however, to add that the discontinuation of the present negotiations will lead to no change of the normal relations between the Netherlands Indies and Japan."

The Dutch and Indies governments said little about the conference or the cause of its failure. Foreign Minister van Kleffens in a statement at Ottawa, Canada, stated that the Japanese demands were sometimes of such magnitude that the Netherlands Indies officials were unable to comply with them. Oil, rubber, and tin were of vital importance to nations at war and the people in the Indies "are working hard so that the Allies, and nobody but the Allies and the United States, get these commodities in ever-increasing quantities."¹⁴

A Japanese view of the causes of the failure of the conference is

¹³ *Ibid* See also the dispatches from Tokyo by Otto D. Tolischus in the *New York Times* of May 30 and June 1, which also contain a large number of quotations from the Japanese press on the Dutch attitude.

¹⁴ *New York Times*, June 11, 1941.

given by Kohtaro Ohye in *Contemporary Japan*, the organ of the Foreign Affairs Association of Japan. Wrote Mr. Ohye:

This unsuccessful parley was almost constantly hampered by development of political questions which unexpectedly obtruded themselves on the council board in spite of the effort made from the outset to confine discussion to purely economic matters. When the international situation is so full of complexities as at present, it is extremely difficult to draw distinctions between economic and political issues or to keep them apart and separate. To this fact more than anything else should be attributed the failure of the Batavia conference.

It should also be noted that sentiment in the Netherlands East Indies underwent a drastic change against Japan after the conclusion of the tripartite treaty. That Japan was regarded almost as an open enemy cannot be denied. This attitude was shown when Japan became allied with Germany, with whom the Netherlands were at war. It may also be said, on the psychological side, that the Netherlands East Indies depended on Britain's fighting power and on the aid and support of America which was becoming an arsenal for the democracies. It may equally be said that the attitude of the Netherlands East Indies stiffened when they underrated the power of Japan, which was misjudged to be on the verge of military and economic exhaustion after more than four years' fighting. The Dutch opposition to the co-prosperity sphere of East Asia was no doubt due to the political construction wrongly placed on the economic and peaceful designs of the Japanese Government in consequence of its joining the Axis countries, as well as to the strong reliance placed by the Netherlands on Britain and America. The Dutch argument that Japan might re-export to Germany what she imported from the Netherlands East Indies was only too specious. What Japan sought from that source was to meet her expanding industrial needs.¹⁵

Relations with Japan since the breakdown of the trade conference have not improved. Upon the occupation of Indo-China, the Dutch, following the United States, Great Britain, and the Dominions, froze Japanese credits, and as a result trade with Japan rapidly declined and after a month or so had practically ceased. The Dutch have co-operated with the United States, Great Britain, and China in forming what has become known as the ABCD Powers (or Front). The Dutch have participated in military conferences with British and

¹⁵ See Appendix I for an official Japanese statement on the breakdown of the conference.

American army officers and there is evidence of close diplomatic co-operation.¹⁸ The Indies Government has profitably used the time since the invasion of Holland in strengthening its defenses.

A large number of the fewer than 7000 Japanese living in the Indies have returned home. In September 1000 Japanese women and children were repatriated, and in November 1600, including many men, left the Indies for Japan.

The long-predicted war in the Pacific finally came when, at dawn of December 7, 1941, the Japanese, without a declaration of war, and while Ambassador Nomura and Special Envoy Kurusu were carrying on peace negotiations at Washington, attacked the American naval base at Pearl Harbor. In the note handed by the Japanese ambassador to Secretary of State Hull on the afternoon of that day, and before Mr. Hull had learned of the attack, the United States was accused, among other things, of "exerting pressure on the Netherlands East Indies . . . to frustrate Japan's aspiration to the ideal of common prosperity" in Asia.

The Dutch in the Indies had for some time accepted the inevitability of a Japanese attack and were as well prepared as the resources at their command permitted. The Netherlands Government issued, on the day following the attack on Pearl Harbor, the following statement: "In view of Japan's aggression against two powers with whom the Netherlands maintains particularly close relations—aggression directly threatening vital Netherlands interests—the Government of the Kingdom considers that a state of war exists between the Netherlands and the Japanese Empire." Only two weeks previously, the new position of importance of the East Indies in the Dutch Empire had been recognized by the bringing into the ministry, in London, of Mr. van Mook, Director of the Indies Department of Economic Affairs, as Minister of Colonies, and of Mr. A. Kerstens, leader of the Catholic party in the Volksraad, as Minister of Commerce.

¹⁸ During the Japanese-American discussions in Washington in November the diplomatic representatives of Great Britain, Australia, China, and the Netherlands met Secretary Hull for a "thoroughgoing survey" of the Far Eastern situation—*New York Herald Tribune*, November 23, 1941.

Appendix I

STATEMENT OF KOH ISHII, SPOKESMAN OF THE CABINET INFORMATION BUREAU OF THE JAPANESE GOVERNMENT ON THE FAILURE OF THE BATAVIA TRADE CONFERENCE

(From the *New York Times*, June 19, 1941)

AS EARLY as November, 1939, the Japanese Government proposed to the Netherlands Government to open economic negotiations between Japan and the Netherlands Indies. Having received the latter's acceptance of our proposals in principle, we informally showed them an outline of our proposals. Meanwhile we carried on negotiations with Netherlands authorities in Tokyo, The Hague, and Batavia with respect to opening negotiations in a concrete manner.

However, the European war spread to the Netherlands in May, 1940, and the Netherlands Indies came to feel its effects, with the result that the situation developed in such a manner that Japan could not remain indifferent. The Japanese Government, therefore, made a request to the Netherlands Government that negotiations be speedily opened with a view to establishing economic coöperation between Japan and the Netherlands Indies.

The situation at that time was such, since the Netherlands Government had moved to London and decided to carry on the war in alliance with England and the economy of the Netherlands Indies was mobilized for war purposes, that economic relations between Japan and the Netherlands Indies were bound to be gravely affected.

Due to the necessity of establishing a relationship of common prosperity through close coöperation among the people of East Asia, the Japanese Government cannot, of course, remain indifferent to the spread of the European war to the South Seas.

Moreover, it was clear that her [Japan's] demand for the resources of the Netherlands Indies would steadily increase in the course of the establishment of a high-degree defense state.

Under these circumstances it was necessary for Japan to be assured, as soon as possible, of a supply of essential resources and to establish economically cooperative relations between Japan and the Netherlands Indies, thereby bringing about the stabilization of East Asia. The Japanese Government accordingly requested of the Netherlands Government in May of last year an assurance of the supply to Japan of those important materials and goods which Japan expected of the Netherlands Indies under the prevailing situation.

In response the Netherlands Government expressed the intention of actively cooperating with Japan by assuring that the economic relations of the Netherlands Indies with Japan would continue as smoothly as before and confirming that such relations would be in harmony with the vital interests of the Netherlands Indies and would contribute toward the peace and stability of East Asia. On the basis of this agreement of views between Japan and the Netherlands Indies the Japanese Government has conducted economic negotiations in Batavia since September of last year, exerting the utmost efforts for their amicable conclusion.

The negotiations between Japan and the Netherlands Indies were so varied as to include not only the question of acquiring materials and goods, but the question of promoting general trade relations, and the entry of Japanese into the Netherlands Indies in pursuit of occupations and investment in enterprises of shipping, aviation service, and communications.

As regards the aforementioned matters, especially aviation connections, they had already been carried on between third powers and the Netherlands Indies, and regarding investment in enterprises such as the oil industry, Anglo-American capital has shown remarkable activities. Third powers are thus very liberally permitted to engage in all these enterprises.

In the light of these facts the requests of the Japanese Government are very reasonable.

If such Japanese requests—for the participation of Japanese in the development of the abundant natural resources of the Netherlands

Indies, the entry of Japanese there accompanying such a development in pursuit of their occupations, the calling of Japanese ships at closed ports for the purpose of transporting materials produced by such a development, the partial opening of coastwise navigation to Japanese ships, and the development of the fishing industry by Japanese who are there—were dealt with on a basis of promoting economic coöperation between Japan and the Netherlands Indies, the solution of these questions would be very simple.

Regarding these requests, the Netherlands Indies Government stressed that the basis of their policy lies in the progress, prosperity, and emancipation of the inhabitants of the Netherlands Indies. It is clear, however, that the proposals of the Japanese Government do not in any respect run counter to such a policy in the Netherlands Indies.

It is needless to say the progress, prosperity, and emancipation of the inhabitants would be promoted on the part of the Netherlands Indies through the establishment of economic coöperation between Japan and the Netherlands Indies and would thereby contribute toward the peace and stability of East Asia.

However, along with the intensification of economic warfare the situation surrounding the Netherlands Indies made the smooth progress of negotiations difficult. The reply of the Netherlands of June 6 is not only very unsatisfactory, but asserts in connection with the question of the acquisition of essential materials and goods, to which Japan attaches importance, that their quantities may be decreased at any time to suit their own convenience.

In view of the fact that in respect to this question the Netherlands Government as well as the Netherlands Indies on many occasions in the past made promises or declarations to Japan, the Japanese Government, deeming such contents as embodied in the Netherlands reply hardly worth being incorporated in an international agreement, has decided to discontinue the negotiations.

Appendix II

THE NETHERLANDS INDIES BALANCE OF TRADE

(Value of imports and exports in 1000 florins, exclusive of coined and uncoined gold and silver)

Year	In private trade			For government account		
	Imports	Exports	Surplus	Imports	Exports	Surplus
1913	436,682	614,203	+ 177,521	27,019	57,231	+ 30,212
1920	1,116,213	2,224,999	+1,108,786	108,713	3,137	-105,576
1925	818,327	1,784,798	+ 966,426	21,151	16,705	- 4,446
1930	855,425	1,159,601	+ 304,176	32,579	469	- 32,110
1935	271,089	471,733	+ 200,644	5,408	512	- 4,896
1936	278,908	589,637	+ 310,729	7,947	459	- 7,489
1937	480,123	992,064	+ 511,941	18,204	168	- 18,036
1938	446,155	687,967	+ 241,812	37,793	1,050	- 38,743
1939	434,938	774,729	+ 339,791	43,214	903	- 42,311
1940*	432,400	939,700	+ 507,300			

Compiled from *Indisch Verslag* 1940, II, 335

* *Economisch Weekblad*, May 30, 1941

*Appendix III*BALANCE OF IMPORT AND EXPORT PAYMENTS
(In 1,000,000 florins)

Payments (imports)	1939*	1937	1934
Import of merchandise	476	499	291
Import of gold	49	10	.
Increase of Netherlands Indies' gold abroad	20	37	.
Import of ships	11	9	.
Interest	54	68	90
Dividends of agricultural companies, profits of private estates, dividends of other corporations, and commercial profits of private, nonresident persons	125	89	20
Ocean-borne passenger traffic	12	13	14
Remittances	20	19	6
Expenses outside the N. I. by persons on furlough abroad and by Mecca pilgrims	12	13	12
Payments to directorates abroad, including royalties	22	20	14
Unfavorable balance between expenditures and receipts of the N. I. Government in the Netherlands not otherwise specified	8	37	14
Pensions	40	32	34
Total	849	846	495
Redemption of loans	41	26	45
Purchase of bonds and shares and investments abroad	12	13	4
Remittances of life-insurance premiums by the Government on behalf of its pension fund and by private concerns	8	8	13
Reduction of the floating debt of the N. I. Government in the Netherlands	...	44	115
Short-term credits, floating balances (excluding those of the Government), and unexplained differences	23	131	50
Total	84	222	227
Grand total	933	1,068	722

*Appendix III (Continued)*BALANCE OF IMPORT AND EXPORT PAYMENTS
(In 1,000,000 florins)

Receipts (exports)	1939*	1937	1934
Export of merchandise, excluding silver coin exported by the Government	748	953	490
Export of gold	9	17	26
Decrease of Netherlands Indies' gold abroad	44	4	
Coins given by the N. I. Government to the National Treasury in repayment of the floating debt	9	1	29
Correction of the export value:			
a) Export duty†	27	38	15
b) Statistics tax	1	2	1
Tourists	3	3	3
Receipts of the N. I. Government in the Netherlands (dividends, interest, etc.)	22	11	7
Contributions of the Netherlands toward the costs of the navy in Indian waters	10	14	.
Total	873	1,043	571
New capital, investments from retained profits, and other investments	18	25	151
Increase of the floating debt of the N. I. Government in the Netherlands.	42		...
Total	60	25	151
Grand total	933	1,068	722

Compiled from *Indisch Verslag 1940*, II, 438.

* Provisional figures. † Including the extraordinary export duty on native-grown rubber.

Appendix IV

VALUE OF IMPORTS FROM THE CHIEF COUNTRIES OF ORIGIN
(In 1000 florins)

Country	1940*		1937	1935
	Value	Per cent of total		
Japan	100,250	.	124,426	81,157
Netherlands	54,095	12 51	93,890	36,423
United States .	99,873	23 10	49,924	18,871
Germany	8,587	1.99	41,874	22,041
Great Britain and the Irish Free State	36,094	8 35	40,898	21,822
Singapore	13,590	3.14	36,591	29,301
Belgium and Luxembourg .	14,329	3 31	15,485	5,948
British India....	15,495	5.58	12,887	9,272
Australia .	16,383	3.79	12,126	9,021
China.	17,306	4.00	8,724	5,046
France	4,218	.98	7,186	3,161
Hong Kong	4,220	.98	6,705	3,457
Italy.. . . .	4,179	.97	4,596	1,534
Penang.. . . .	1,012	.23	3,532	3,697
Philippine Islands . . .	915	.21	748	375

Compiled from *Indisch Verslag 1938*, II, 322.

* *Economisch Weekblad*, May 30, 1941.

Appendix V

VALUE OF EXPORTS TO THE CHIEF COUNTRIES OF DESTINATION
(In 1000 florins)

Country	1940*		1937	1935
	Value	Per cent of total		
Netherlands .	49,324	5 59	191,583	100,201
Singapore	184,793	20 94	179,043	66,620
United States	295,059	33 43	177,859	63,704
Great Britain and the Irish Free State .	53,738	6 09	50,224	30,547
Japan.	48,521	5 50	42,345	23,970
Egypt and Egyptian Sudan	11,281	1 28	30,226	9,569
Australia..	32,297	3 66	29,531	17,530
Germany. .	1,763	20	28,099	9,110
France	2,554	29	23,963	14,513
Denmark.	2,517	29	18,346	7,614
Hong Kong. . . .	18,106	2 05	15,385	8,795
China...	16,099	1 82	13,458	8,925
Penang	12,685	1 44	11,719	5,856

Compiled from *Indisch Verslag* 1938, II, 323

* *Economisch Weekblad*, May 30, 1941.

Appendix VI

IMPORTS CLASSIFIED BY GROUPS OF ARTICLES AND PRINCIPAL
ITEMS OF MERCHANDISE
(In 1000 florins)

Description	1937	1940*
1. Living animals and fresh plants and seed- lings, seeds, and bulbs	177	147
2. Comestibles and luxuries	78,055	66,471
3. Animal and vegetable products (resin, vege- table oils and fats, etc)	5,415	4,546
4. Minerals, and semimanufactured and manu- factured products thereof	10,465	15,075
5. Chemical produce, medicines and medical preparations, fertilizers, perfumery, & paints	44,598	47,989
6. Earthenware and porcelain	3,973	3,419
7. Glass and glassware	5,771	5,191
8. Wood and timber, and products thereof	5,396	9,379
9. Hides, skins, furs, leather, and manufactures thereof	3,973	2,463
10. Yarns, piece goods, rope, wearing apparel, and fancy articles	157,572	120,492
11. Paper and paper articles, stationery, office supplies, and school, drawing, and paper appliances	18,375	20,484
12. Metals, and articles thereof not included in other groups	63,676	72,996
13. Carriages, vehicles, vessels, and aircraft	27,223	19,595
14. Machines, implements, apparatus and tools, instruments, lamps, clockwork, and arms	57,339	37,890

Compiled from *Indisch Verslag 1938*, II, 327-329

* Preliminary figures, *Economisch Weekblad*, May 30, 1941.

*Appendix VII*EXPORTS CLASSIFIED BY GROUPS OF ARTICLES AND PRINCIPAL
ITEMS OF MERCHANDISE

(In 1000 florins)

Description	1937	1940*
1. Animal products and articles manufactured therefrom. .	12,576	8,113
2. Rubber and gutta percha.	298,118	332,274
3. Drugs and spices. .	26,587	37,010
4. Coffee	26,048	7,806
5. Vegetable oils and fats	104,658	28,975
6. Sugar ..	51,109	53,109
7. Tobacco	41,088	38,514
8. Tapioca .	18,383	13,246
9. Tea	49,061	48,905
10. Fibers. .	23,392	16,240
11. Other vegetable products	37,773	29,714
12. Petroleum, petroleum products, and fuel	166,615	174,725
13. Cement, ores, nonprecious metals, trass, sulphur, minerals	91,399	87,134

Compiled from *Indisch Verslag* 1938, II, 330-332.* Preliminary figures, *Economisch Weekblad*, May 30, 1941

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